Daily Report

Latin America

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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

INTERNATIONAL AFFAIRS

Christian Democratic International Bureau Votes *[Santiago Radio]* 2
Perez Addresses International Labor Congress *[Caracas TV]* 2

CARIBBEAN

Cuba

Economy Forces Departure of Russian Technicians *[Madrid EFE]* 3
Jose Ramon Fernandez Meets With Galicians *[Havana TV]* 3
Medicine, Food Donated *[Havana TV]* 3
Villa Clara Automates Military Recruiting *[Havana Radio]* 4
Navy Unit Conducts Antisubmarine Maneuver *[Havana TV]* 4
PCC Assessment Process Period Extended *[Havana Radio]* 4
Unregulated Sale of Cigarettes To Resume *[Havana Radio]* 4

Dominica

Minister Favors Easing of Sanctions on RSA *[CANA]* 5

Dominican Republic

Havana Reports Typhoid Outbreak *[Havana Radio]* 5
Official Reports 'Worrisome' Drought Problem *[Santo Domingo Radio]* 5

Haiti

Belizaire: Chambers To Set Assembly Date *[Port-au-Prince Radio]* 6
Senate President Addresses National Assembly *[Port-au-Prince Radio]* 6
Parliamentarians React to Session Suspension *[Port-au-Prince Radio]* 7
Senators Blame Leader *[Bonaire Radio]* 8

MEXICO

Salinas Reaffirms State Control Over Oil *[Mexico City TV]* 9
* Salinas Presents 'Social Liberalism' Tenets *[LA JORNADA 5 Mar]* 9

CENTRAL AMERICA

El Salvador

Government Issues Statement on Goulding Visit *[EL MUNDO 18 Mar]* 15
'Death Squads' Against Land Redistribution *[DIARIO LATINO 17 Mar]* 15
Amnesty Sought for Killers of U.S. Advisers *[San Salvador TV]* 15
National Solidarity To Participate in Elections *[San Salvador TV]* 16

Nicaragua

* Divergent FSLN Groups Supported *[BARRICADA 19 Feb]* 16

* Commentary Views FSLN Divisions, Survival *[LA PRENSA 13 Feb]* 17
* Editorial Criticizes 'Elitism,' Wage Gap *[EL NUEVO DIARIO 15 Feb]* 18

Panama

President Guillermo Endara Outlines Oil Policy *[EL PANAMA AMERICA 19 Mar]* 18
Guidelines for Interoceanic Authority Draft Bill 19
Part I *[LA PRENSA 8 Mar]* 19
Part II *[LA PRENSA 9 Mar]* 22

SOUTH AMERICA

Argentina

Menem Blames Suicide Unit for Embassy Bomb *[NOTICIAS ARGENTINAS]* 26
Attack Masterminded 'Abroad' *[NOTICIAS ARGENTINAS]* 26
Deputy Mission Chief Killed *[Jerusalem Radio]* 26
Economy Minister Discusses Possible Devaluation *[BUENOS AIRES HERALD 19 Mar]* 26

Bolivia

EFE Condemned for 'Irresponsible' Reporting *[La Paz TV]* 27
Government Allocates $600 Million to Debt Service *[EL DIARIO 7 Mar]* 27

Brazil

Economy Minister on Taxes, Debt, Salaries *[Brasilia Radio]* 27
* Flores on Status of Nuclear Submarine Project *[CORREIO BRASILIENSE 9 Feb]* 28

Chile

President Views Constitutional Reform, Economy *[Paris LE FIGARO 18 Mar]* 32
Withdrawal From Espionage Case Ordered *[Santiago Radio]* 33
Ecuadoran Envoy, Silva Discuss Pinochet Trip *[Santiago TV]* 33

Colombia

Gaviria Discusses Political, Economic Issues *[Santa Fe de Bogota TV]* 33
ELN Representative Explains Strategy, Goals *[EL TIEMPO 16 Mar]* 35

Ecuador

President Borja: Chile's Pinochet Not Welcome *[AFP]* 36
Pinochet Not Persona Non Grata *[Quito Radio]* 36
* Abdala Bucaram on Campaign, Domestic Issues *[VISTAZO 6 Feb]* 36

Paraguay

Israeli Envoy Vows Retaliation on Embassy Attack *[ULTIMA HORA 18 Mar]* 39
Government-Church Conflict 'Considered Ended' *[ABC COLOR 18 Mar]* 40
CEP Note to Machuca Released *[ABC COLOR 18 Mar]* 40

Peru

Foreign Minister Discusses Economy, Visits, Cuba *[LA REPUBLICA 12 Mar]* 40
* Government Defends Validity of Tax Decree *[EXPRESO 13 Feb]* 41

Venezuela

Antigovernment Demonstration Results in Arrests *[AFP]* 42
Authorities Release Organizers *[AFP]* 42

Demonstrators' Acts Criticized *[Caracas TV]* 42
Ministry Probing Alleged Post-Coup Executions *[Madrid EFE]* 43
Council Presents Crisis Suggestions to Congress *[Caracas TV]* 43
* Government Accused of Promoting Violence *[ZETA 30 Jan]* 44

Argentina

President Carlos Menem has stated that the perpetrators of the bomb attack against the Israeli Embassy were members of a suicide unit and that the blast was apparently caused by a car driven by "an Argentine citizen who recently converted to Islam," NOTICIAS ARGENTINAS reports. He also confirmed the arrival in Argentina of Israeli Mosad "specialists" to aid in the investigation.

Venezuela

AFP reports that groups of students were "continuing to defy the police" on the evening of 19 March, despite the arrest of student and union leaders who organized an "antigovernment demonstration" in Caracas that was broken up by police earlier in the day. The organizers of the demonstration who were arrested were released five hours later, according to AFP.

Christian Democratic International Bureau Votes

PY1703233592 Santiago Radio Chilena Network in Spanish 1700 GMT 17 Mar 92

[Text] The Christian Democratic International political bureau, which has been meeting since 14 March in Santiago, has voted on four resolutions on the political situation in Venezuela, the Philippines, Cuba, and East Europe.

The resolution on Venezuela condemns the attempted coup d'etat and supports the people's organizations and the military men who opposed it and observed the Constitution.

The resolution on the Philippines urges the Southern Cone governments to support democracy in that country and expresses support for presidential candidate Fidel Ramos, a member of the National Union of Christian Democrats.

Concerning Cuba, the Christian Democratic International political bureau asks the continent's governments to establish as a condition for Cuba's participation in the fifth centenary meetings the (?expedition) by Fidel Castro of the democratization process. It also condemns the repressive actions against Cuban dissidents and supports the Christian Democratic parties—democratic, liberal, or conservatives—that seek to promote a great national accord.

Concerning East Europe, the Christian Democratic International political bureau asks for all possible support for the rising democracies in that continent.

Perez Addresses International Labor Congress

PA1803180192 Caracas Venezolana de Television Network in Spanish 0000 GMT 18 Mar 92

[Report by Rebeca Hung Diaz]

[Text] At the opening ceremony of the 15th World Congress of the International Conference of Free Trade Union Organizations [CIOSL], President Carlos Andres Perez said the economic recommendations made by the Presidential Advisory Council were accepted. He dismissed reports that he is under pressure by international economic organizations.

[Begin Perez recording] This is a fabrication. We hold periodic discussions on the situation with the World Bank and the IMF. We will certainly discuss some of the measures we adopted, when the time comes. We are sure we will move ahead in all the very positive aspects we have agreed on to structure Venezuela's economy. At the same time, we will implement all the corrective measures I announced in my recent speech. [end recording]

Approximately 1,500 delegates from 300 trade unions from 150 countries began their 15th World Congress on 17 March. This event, which takes place every four years, is devoted to the topics of democracy and the environment. Confederation of Venezuelan Workers President Antonio Rios opened the meeting. He welcomed the world's labor force to this forum. President Perez closed the inaugural ceremony. He used this forum and audience to recall that poverty and deterioration of the environment go hand in hand. He added: You have Haiti as proof.

The president then asked his audience: How are we to overcome this problem? Not by begging or receiving grants. Latin America demands fair treatment to develop, instead of the obstacles the United States and the EEC are raising at the GATT, which prevent the rest of the countries from knowing the clear rules of the game. Here is where the trade unions of the developed world, and their counterparts in Latin America and the developing world, come into play.

[Begin Perez recording] It is good to make it known here that we are paying attention to the much neglected right of workers to protect the environment and jobs. As a matter of fact, and as tribute to the CIOSL's 15th World Congress, the Council of Ministers on 18 March will create the Workers Environmental Protection Institute [Instituto de Proteccion del Medio Ambiente del Trabajador]. [applause] [end recording]

Cuba

Economy Forces Departure of Russian Technicians

PA2003131492 Madrid EFE in Spanish 1543 GMT 19 Mar 92

[Article by Gerardo Gonzalez Vega]

[Text] Havana, 19 Mar (EFE)—Russian Embassy sources have told EFE that economic difficulties created by the upcoming switch to more freely exchangeable currency to be used in trade relations between Russia and Cuba are encouraging the early departure of Russian advisers and technicians from Cuba.

The situation mainly affects Russian technicians who are collaborating as workers and instructors in various Cuban industries.

In December 1989 there were 3,500 Russian technicians in the country. In 1991 the number dropped to 1,100 and now there are 450 Russian cooperative workers, according to the embassy.

The date set for a final decision on the extension or termination of their stay is 1 April, when Cuban authorities are planning to apply the "foreign currency only" measure, which will make it impossible for them to remain.

Until now the technicians received part of their salary in Russian currency and the rest in so-called "certificates" or "agreement money" from the Cuban Government.

The Russians used these "certificates" to cover normal expenses in Cuba, such as rent and part of their food.

The case of Andrey Kamorin, a journalist for IZVESTIYA, is an example of what the end of the "agreement money" payments will mean.

Kamorin told EFE he paid some 200 certified pesos (which in theory are the same amount of dollars but in reality have no equivalence) for the apartment he lived in. The new price for the same apartment is $1,800.

Faced with this situation, his newspaper has closed its correspondent's office, as have several other former Soviet media, including PRAVDA.

Even TASS, the official government agency now known as ITAR-TASS, has reduced its presence in Cuba from five journalists and two assistants to a single journalist. The agency has also decided to abandon its offices; its correspondent will work out of his home.

Sergey Sereda, the agency's sole correspondent, told EFE the rent for its office will go from 350 "certificates" to $4,200 a month as of April, which TASS has said it cannot pay.

In fact, Russian media presence in Cuba has decreased in the last few months to just Sereda, the NOVOSTI correspondent, and the correspondents for state television and radio. Until 1989 there were no fewer than 20 Russian journalists in Havana.

Concerning the number of soldiers on the island, diplomatic sources told EFE the 3,200 men at the so-called "Training Center" have been cut to 2,700, as Russia is not replacing those units who return on leave.

The source said this brigade will pull out completely over a long period of time and that its withdrawal was determined by the difficulties the Soviet Union is experiencing in relocating on its territory all the troops returning from around the world.

In addition to the brigade members, Soviet military instructors and the military technicians from the electronic surveillance base in Lourdes, south from Havana, remain in Cuba. The diplomatic source did not comment on their number or probable withdrawal.

The source said the number of representatives of Soviet enterprises, no longer state-owned, who set up shop in Cuba to continue economic relations between the two countries has increased. He did not mention how many such representatives are in Cuba.

Jose Ramon Fernandez Meets With Galicians

FL2003004692 Havana Cubavision Network in Spanish 2320 GMT 19 Mar 92

[Text] A delegation of 15 mayors, eight town councillors, and others representing Galician town councils arrived on 18 March in Havana and began their activities in our country today. They were met by Jose Ramon Fernandez, the vice president of the Council of Ministers.

The purpose of the meeting was to inform the visitors of the major characteristics of our country as well as to give them a detailed explanation of the situation, the repercussions of the collapse of the socialist bloc and the Yankee embargo, the special period, and programs to cope with the situation and develop the country. The Galician visitors made comments, asked questions, and talked about different subjects in a climate of impressive solidarity.

The mayors and councillors also learned about the Havana Malecon recreation projects sponsored by the Union of Young Communists. They also visited the Computer Club Center, where they were briefed on its operations and goals.

Medicine, Food Donated

FL2003031092 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 20 Mar 92

[Excerpts] The delegation of Galician mayors and town councillors that arrived in Havana yesterday has begun its activities in Cuba. [passage omitted] These 15 mayors, eight town councillors, and other prominent Galician figures represent 22 city governments of that autonomous region.

They will donate to our government 11 tons of medicines, academic materials, clothes, and food.

The delegation is headed by Oleiros Mayor (Angel Garcia Seovani). You should know that Oleiros is one of the 313 municipalities of Galicia. (Garcia Seovani) has promoted and organized a movement for solidarity with Cuba among mayors and representatives of the Galician municipalities and provinces. Among other work, this group has approved a motion against the embargo against Cuba in Oleiros Department, proposed a motion by the 313 Galician municipalities against the embargo, and promotes and encourages acts of solidarity with Cuba. The movement has sent a letter to the UN secretary general from the fifth general assembly of the Spanish Federation of Municipalities and Provinces about ending the economic and military blockade against Cuba.

The importance of this visit lies in the fact that in addition to being an act of solidarity, in Spain the municipality and the community have great influence on political life.

This delegation is made up of approximately 43 prominent figures from different political parties. They financed their trip themselves. They plan to visit schools, hospitals, scientific centers, and workplaces and will remain in Cuba until 26 March.

Villa Clara Automates Military Recruiting

FL1903204792 Havana Radio Reloj Network in Spanish 1506 GMT 19 Mar 92

[Text] Villa Clara has become the first province in the central region to implement automation in the recruiting process for General Military Service for the August reporting dates. The target date for completing the project was 30 March, but the people of Villa Clara were able to beat the deadline by about 20 days, thus winning out over other provinces. Automation is also used in Villa Clara for military registration.

There are about 100 work and study centers that have computerized the control of their personnel and their material resources. Camajuani Municipality has stood out in this regard; efforts are being made there on the principle of integrated work, and notable progress has been made in automating the rest of the military committee departments.

Navy Unit Conducts Antisubmarine Maneuver

FL2003025292 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 20 Mar 92

[Text] A Revolutionary Navy unit has recently held a antisubmarine reconnaissance maneuver. The flight engineer says the technical assets are guaranteed. The doctor says the crew is fit. The weather report is given. The flight chief explains that the crew is ready. Flight calculations are made, and the military unit chief makes his final recommendations: Stay in contact at all times and stay alert. The combat mission begins.

An antisubmarine search for an enemy vessel in our waters requires experience, skill, and much training. That is the reason that, although very young, the crewmembers are already considered veterans in this career. Watches, computers, radar, and all the data they provide ensure that they will rigorously fulfill the task they have been entrusted with, and that is how it goes.

If you approached these men during the flight to get to know them better, certainly you would be talking with simple youths who love and dream, youths with defects and virtues but indomitable, and it is precisely this determination and confidence that lead them to victory.

In five hours, they will carry out the maneuver, which includes going from one relatively distant area to another. Five hours of tension, astuteness, and staying alert in order to fulfill the mission. These five hours also serve to train these combatants. They return satisfied. The mission was completed. The Revolutionary Navy has thus written another page in its successful history.

PCC Assessment Process Period Extended

FL1903161292 Havana Radio Rebelde Network in Spanish 1255 GMT 19 Mar 92

[Text] The current assessment process of base-level organizations of the Communist Party of Cuba [PCC] is being conducted throughout Cuba, introducing modifications aimed at promoting a wider participation of workers at every work center. As has been reported, one of the changes introduced—the most important one—is to discuss with the masses the nomination of the leadership of the PCC cells. The goal of this modification is to achieve more direct ties between the PCC and the workers, and for the elected leaders to have the support of all workers, instead of only the party members.

Another modification is that there is no deadline to conclude this process, such as in previous assessment periods, so that each sector may have the best opportunity to analyze the tasks fulfilled and draft goals for the next two years.

Orlando Sardinas, an official of the Organization Department of the Central Committee of the PCC, said that the goal is for the process of base-level assessment meetings of the PCC to continue throughout the year, based on an analysis of the conditions the country is experiencing and the role of PCC members at each location.

Unregulated Sale of Cigarettes To Resume

FL1903203192 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Mar 92

[Text] A few days ago, the Ministry of Domestic Trade announced that the unregulated sale of cigarettes at differential prices would begin on 16 March throughout

the food system network and in hotels. This has provoked numerous commentaries. We will now present a summary of today's extensive coverage of this issue by the newspaper GRANMA.

When the decision to halt the unregulated sales of cigarettes and ration distribution was made in September, it was determined that after reserves were reestablished, the sale of any surplus—at much higher prices, of course—would be studied. That is precisely what has now been done as a result of the measures implemented to solve material as well as subjective problems; this would facilitate production and the pledges made by the workers at the six existing factories.

After presenting these premises, GRANMA sets forth some reflections and considerations. Although some or many smokers may consider them a necessity, cigarettes are not a basic product. They are not food or medicine, which certainly are sold at prices below their production costs, in many cases, because they are subsidized by the state budget. The differential prices established for selling the current surplus cigarettes are five times higher than the price they had on the parallel market; the main goal is to regulate consumption because it is in the country's interest to discourage this habit, which is harmful to one's health.

GRANMA notes that in exceptional circumstances, such as the ones we now find ourselves in, any decision made—even those which like this one have a somewhat unpopular side in principle—must be seen in light of the dividend they may bring the country. And there is something even more important. As some argue, the ration quota and the additional sales will continue; if one wants more, what must matter most to a strongly addicted smoker is having them available and guaranteed by the state, so that he does not have to fall into the hands of a speculator. We must often admit that we paid speculators more—sometimes much more—than the 8-peso price. The alternative would be totally to deregulate sales at the market price; but in that case, as is well known, only those who have a high income would be able to smoke as much as they want, and no one would have a guaranteed quota.

In short, the state will not encourage the habit of smoking nor spend considerable amounts of hard currency to make cheap a vice which damages one's health. Those who want to smoke more than their ration, or younger people who are acquiring this harmful habit, should pay high prices. No speculator will have the opportunity to sell on the black market above the limit set by these parallel market prices. The evolution of this market will be watched and the prices may be raised or lowered slightly depending on availability. It is necessary to remember two things: The parallel market has no fixed prices, and cigarettes are not milk.

Dominica

Minister Favors Easing of Sanctions on RSA

FL1903210892 Bridgetown CANA in English 2029 GMT 19 Mar 92

[Text] Roseau, Dominica, March 19, CANA—Dominica's External Affairs Minister Brian Alleyne is advocating a gradual easing of sanctions imposed on South Africa [RSA], following Tuesday's "yes" vote for reforms to overturn the system of racial segregation.

"I think we have to continue to see that progress is made in a serious way, but I think this is the most significant move up to now," Alleyne said in an interview with the Government Information Service here. He called the overwhelming "yes" vote an endorsement by the people of South Africa of reform.

"I think we can certainly look much more favourably now on the question of relieving the sanctions. But anything we do, I think, must be in close consultation with the rest of the Commonwealth, and certainly with the parties in South Africa who are affected by this," Alleyne remarked.

He expects the results of the referendum to send a clear message to those still opposing change in South Africa.

"It will hopefully effectively help to isolate the reactionaries—those people who want to resist change both on the white and on the black side, and ensure that the transition towards a just and equitable society now takes place," Alleyne said.

He sees hopeful signs that South Africa will now move "quickly into full acceptance in the international community."

Dominican Republic

Havana Reports Typhoid Outbreak

FL1903202192 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Mar 92

[Text] A state of emergency has been declared in the northern section of the Dominican Republic because of an outbreak of typhoid fever; 15 deaths have occurred.

Official Reports 'Worrisome' Drought Problem

FL1903181992 Santo Domingo Cadena de Noticias in Spanish 0930 GMT 19 Mar 92

[Text] The director of the National Water Resources Institute said that there are areas in the country where rain has not fallen since June 1991. Engineer Augusto Rodriguez Gallar said that the drought problem is worrisome.

[Begin Rodriguez recording] There are places like Bayaguana where it has been raining all year; Bayaguana, (Nicotima), Bonao, and also eastern areas. Even though people in these areas have been complaining, they have

been the areas of greatest rainfall. In Higuey the need for water is now beginning to be felt, but the fields are still green. Thank God, yesterday it began to rain. [end recording]

Engineer Augusto Rodriguez Gallar said that the southwest and northwest areas are critical zones because of the drought.

[Begin Rodriguez recording] The northwest area, or the area of El Cibao, has been in critical condition. The water supplies in the north have been at their minimum level. For example, at the Taveras Dam we have let the water out through the bottom gate because the water level at the dam is below the amount required to generate electricity, which means that we can not generate electricity. (end recording).

Haiti

Belizaire: Chambers To Set Assembly Date

FL1903202192 Port-au-Prince Radio Metropole in French 1700 GMT 19 Mar 92

[Interview with Senate President Dejean Belizaire by Francois Rothschild, Jr., and unidentified correspondent at the Legislative Palace in Port-au-Prince on 18 March]

[Text] After the suspension of the session yesterday, 18 March, which concluded without result, Senate President Dejean Belizaire was not able to give a new date for a future session. Let us listen to him:

[Begin recording] [Belizaire] I cannot tell you. I must meet with the Senate members and discuss with them. The two Chambers will agree to fix the next meeting.

[Francois] Do you think that it was a tactic from the deputies who are against the agreement in order to invalidate...

[Belizaire interrupting] We are in politics. OK? It is a political assembly. People express their stands in different ways. And that is a way to demonstrate their stand toward agreement and toward what has been done.

[Francois] Are you also going to meet with the Chamber of Deputies?

[Belizaire] In the scope of internal rules, the senators have the right to be present or absent.

[Unidentified correspondent] Do they have the right to walk out of a session?

[Belizaire] It is a right that they have. It is granted in every Parliament. [end recording]

Senate President Addresses National Assembly

FL1903173192 Port-au-Prince Radio Nationale in Creole 1730 GMT 18 Mar 92

[Address by Senate President Dejean Belizaire at the National Assembly in Port-au-Prince—live, in French]

[Excerpts] Mr. Vice President of the National Assembly; members of the Bureau of the National Assembly; honorable senators and deputies; ladies and gentlemen; representatives of national institutions and media; Haitian people:

More than five months have passed since 8 October 1991. In a setting of chaos, faced with an institutional vacuum created by the departure of the president elected on 16 December and by a weak government, we senators and deputies, aware of our duties and responsibilities toward the Haitian people, who have put their trust in us, meet here by right in the National Assembly to make several decisions in the highest national interest.

In a thorough analysis of the resolutions made by the Assembly of Ministers of Foreign Affairs of the OAS on 2 October 1991, interpreting in their rightful role the different messages of the OAS mission that met with a Haitian parliamentary committee on 5 and 7 October 1991 at the international airport, and taking national public opinion into consideration, while leaving the door open for negotiations, on 8 October 1991 we decided the following by decree: [passage omitted outlining details of the Preval government's failure and the inauguration of Joseph Nerette].

While we were implementing this decision, which was to lead to the reestablishment of democratic order and trust, the 34-nation members of the OAS were deciding on how to strangle our country.

The situation is extremely delicate when one objectively considers our country's degree of dependence, compared to others, in the fields of agriculture, energy, industry, economy, and finances. Considering all that and the seriousness of the situation, Jean-Jacques Honorat, who was asked to be prime minister, made his acceptance of this post conditional on the need for Parliament to renew negotiations. [applause] [passage omitted]

It was in Washington at the OAS headquarters, where our bicolor flag flies and in the shadow of our flag, that Father Aristide and the Haitian parliamentary delegation were able to sign this agreement, which we have the opportunity to submit to you, honorable deputies and senators, to your high authority in a free act of acceptance or rejection. By letting 25 days pass before submitting this agreement, which was made on your behalf on 23 February, to your high authority for approval, we believe everyone was given ample time to participate in the great national debate, which we witnessed. There is not one sector; culture; or political, religious, or business group that was unable to discuss the agreement. Reactions came to you in various guises: debates on television, radio, press releases, and petitions.

Honorable deputies and senators of the republic, without bias for your own analysis and judgment, we believe that it is necessary to present this document and to state the major concerns of the parliamentarians who, after numerous serious discussions with the party representing Father Aristide, have written and adopted this

text. The goal of this document is the realization of a great political compromise leading to the lifting of the embargo and the elimination of all pretexts for foreign forces to arrive in the country, as was the case in the Dominican Republic after the overthrow of President Juan Bosch; the cases of Panama and Iraq; and as is the case today in Yugoslavia and El Salvador; and was the case in 1915 in Haiti. [passage omitted]

Article 3 expresses the obvious willingness to reinstate Father Jean-Bertrand Aristide in his post as president of the Republic and to link his return to the materialization of propitious political conditions. Article 4 reflects the willingness to reassure the entire country as to the acts made or ratified by the Haitian Parliament, especially the appointment of the judges of the Court of Cassation, the election of the members of the Superior Court of Accounts and Administrative Litigations, and the ratification of the appointment of the commander in chief of the Haitian Armed Forces for a period of three years. On top of that, the signatories acknowledge and accept that the affairs of state will be assumed by the prime minister during the absence of the president.

Article 5 reflects our concern about political stability, social peace, economic stimulation, and protection of the national sovereignty. None of all that has been left to chance. Article 5 makes provision for an amnesty for the authors of the coup, as well as for the deposed president and his close colleagues, against whom complaints for an action before the High Court of Justice have been lodged.

Second, it includes a clause aimed at proposing the name of the prime minister-designate to the two Chambers—acting separately—for ratification. It must be clear to all that this ratification procedure includes several phases in accordance with Articles 137, 157, and 158 of the Constitution, and that every one of these phases must form the subject of a vote in the two Chambers.

Third, it includes a provision to request the lifting of the embargo, and either party has the exclusive right to make this request.

Fourth, it includes a request to send a civilian mission conditioned on the prior ratification of the Parliament, which can authorize or reject such a mission when it sees the reference documents that will be handed over concerning the activities of this mission, its goals and composition, and the interests that such a presence can provide for the national economy and for the efforts of democratization of the country.

Fifth, it includes a clause that clearly shows the willingness of the two parties to settle the disagreement without any possibility for intervention by foreign forces. As you can see for yourselves, this document was structured in such a way that it does not allow any possibility for a harmful, hegemonic action from any foreign power. Besides, everything has been put under lock and key: The parliamentary control and the authority of Parliament to reject or accept.

Unfortunately, just as we are submitting this work to you for approval, we know that it has been treated roughly by the other signatory. Father Aristide has made extremely grave statements that lead to numerous questions as to the real guarantees of such a document. We, your representatives, we who signed this agreement, did so honestly in order to find a solution to this long and difficult crisis that is depressing the country. We answer those who hide the defense of solid personal interests behind a pseudo-nationalism that they can be nationalist, but not more so than we who have chosen the path of negotiated solution, which is a path of compromise. [applause]

In order to spare our country and our people the disappointments and humiliations that could result from the outrageousness of the international community, which is arrogant and proud of its recent actions in Panama, Iraq, Yugoslavia, and the Soviet Union, we have proceeded by negotiation, agreement, and compromise. The moment has come for you to give a sovereign verdict.

I send out from this chamber a vibrant and patriotic call to the two other powers that share the national sovereignty with us, asking them to join with us in this national effort for a happy solution to the crisis. It is the decision of the sovereign power that will show itself through today's vote, and whatever this decision might be, the international community must respect it at the risk of being seen as a community of domination, dictatorship, and oppression.

May our ancestors be with us and protect us! Thank you, honorable parliamentarians. [applause]

Parliamentarians React to Session Suspension

FL1903165892 Port-au-Prince Radio Metropole in French 1145 GMT 19 MAr 92

[Report on an interview with Parliamentarians Mondestin, Lafrance, and Cheron by correspondent Rothchild Francois, Jr. at the Legislative Palace in Port-au-Prince on 18 March]

[Text] Protests from one camp; satisfaction from the other; these are the reactions expressed by the parliamentarians after the suspension of the National Assembly session. We have gathered here for you Parliamentarians Mondestin, Lafrance, and Cheron for their reactions.

[Begin recording] [Mondestin] I think that is is a disloyal maneuver that is irresponsible. It shows that there is panic in the Greeks' camp. What does that mean? That those people realized that they could not win. They are insane about the country's problems, so they decided to leave the chamber. This concerns the senators belonging to alliances. What is more serious, two members of the Bureau, elected by the Assembly to conduct the debates, two senators from the Movement for the Establishment of Democracy in Haiti left the session. In principle, when someone is a member of the Bureau, regardless of his

political allegiance, regardless of his bloc, he must respect the mandate of the Bureau. One can not walk out of the session.

[Francois] But some other senators also walked out of the chamber.

[Mondestin] Do not tell me, "but." The others could, in a pinch, make this disloyal maneuver. This disloyal maneuver is even more serious when it comes from members of the Bureau.

[Francois] Do you think that the Bureau is responsible for what took place?

[Mondestin] Of course. Absolutely. Because President Belizaire should have prohibited the two members of the Bureau from leaving the chamber.

[Francois] How do you see the future of the vote?

[Modestin] You know. Listen to me carefully, my friend: I am confident. I am always confident. I remain very confident. Very confident.

[Francois] [Question indistinct]

[Lafrance] [word indistinct] precise opinion. You saw it all, you attended the session from the outset. After the lifting of the session...[rephrases] it is correct since the sovereignty of the country is not for sale. You know that.

[Cheron] I think that it is very unfortunate. Because something that is so important...[rephrases] I think that it should be necessary to solve it once and for all. Because the nation is waiting for a decision, either ratification or rejection. I think that it is very unfortunate that the National Assembly has degenerated and that the vote did not take place.

[Francois] However, this morning, you questioned the validity of the summoning of the National Assembly.

[Cheron] Yes, exactly. A priori, it is still my position. The National Assembly, in my opinion, is not competently met and this protocol should not be submitted to the National Assembly, just as the admissibility leaves much to be desired. Thank you. [end recording]

Senators Blame Leader

FL2003131592 Bonaire Trans World Radio in English 1130 GMT 20 GMT 92

[Text] Haitian senators who support President Jean-Bertrand Aristide's return to power are accusing their senate leader of political sabotage. They say he allowed a joint session of the Parliament to break up on Wednesday [18 Mar] before voting on the plan to return Mr. Aristide. However, there has been almost no other reaction to Wednesday's events.

President Aristide says he believes the military pressured legislators away from forming a quorum and that is what prevented the assembly from voting on the accord.

Salinas Reaffirms State Control Over Oil

PA1903191992 Mexico City XHTV Television Network in Spanish 0230 GMT 19 Mar 92

[Report by Rita Ganem; passages within quotation marks are recorded]

[Text] [Ganem] On the 54th anniversary of the nationalization of the petroleum industry, President Carlos Salinas de Gortari reaffirmed the Mexican Government's position of maintaining ownership and control of petroleum:

[Salinas] "At the negotiation of the trilateral free trade treaty we will strongly demand respect for our constitutional restrictions on petroleum matters to ensure that petroleum ownership will continue to be a sole and exclusive right of the nation under the control of the Mexican state."

[Ganem] We are defending our sovereignty over petroleum amid a different international situation but with the same conviction instilled in us by a generation that is half a century old, the president said:

[Salinas] "Today, government and society have decided to share responsibility and join the new international arena with dynamism because this is the modern way to defend sovereignty. Isolation in the current circumstances would weaken the nation and jeopardize the country."

[Ganem] President Salinas warned that the country's new conditions demand that Mexican Petroleum [Pemex] direct its technological vitality and efficiency toward production, services, and upgrading the quality of life of each Mexican:

[Salinas] "Greater efficiency in exploration and production will ensure, with the current export platform and notable growth in domestic demand, that proven petroleum reserves will be enough for the next 50 years."

[Ganem] In his report, Pemex Director General Francisco Rojas revealed that as of 1 January reserves stand at 65 billion barrels:

[Rojas] "Of that total, 44.3 billion correspond to crude oil, 14.1 to gas, and 6.6 billion to condensed products."

[Ganem] Rojas pointed out that one of the most relevant discoveries—because of its potential—was made last year at the Bay of Campeche. This probable new production site could cover an area of more than 1,000 sq km.

The Pemex director commented on the company's new strategy, which is based on efficiency and productivity. He announced a modernization program for the more than 3,000 gas stations throughout the country and assured that there will be enough liquefied and natural gas for the announced program to replace gasoline with gas in public transportation vehicles. As for Pemex's importance to the national economy, Mr. Rojas said:

[Rojas] "It contributes as much as the income tax paid by companies and individuals and it is the source of foreign currency that allows the country to pay its foreign debt without causing macroeconomic imbalances."

[Ganem] The figures cited in the report indicate that in 1991 Pemex's assets totaled 114 trillion pesos; investment grew by 15 percent; Pemex paid over 42 trillion pesos in taxes to the federal government; petroleum and gas production was 3.127 million barrels per day; the value of crude exports exceeded $7 billion; and the average price of Mexican petroleum on the international market was $14.55 per barrel.

Sebastian Guzman Cabrera, leader of the Oil Workers Union, supported the efficiency policy advocated by Pemex and pointed out that the union agrees with Pemex to eliminate unnecessary positions gradually under the terms of the collective labor contract:

[Guzman] "Curiously, those who for many years criticized Pemex and the union for maintaining an excessive number of workers, claiming that the work of one was being done by two or three people, now are making a great fuss over a (?reduction) in personnel."

[Ganem] The ceremony to mark the anniversary of petroleum nationalization was held on the esplanade adjacent to the Pemex tower in Mexico City.

* Salinas Presents 'Social Liberalism' Tenets

92CA0109A Mexico City LA JORNADA in Spanish 5 Mar 92 'PERFIL DE LA JORNADA' supplement pp I-III

[Address by President Carlos Salinas de Gortari on the 63d anniversary of the Institutional Revolutionary Party (PRI), Mexico City, 4 March 1992]

[Text] Fellow PRI [Institutional Revolutionary Party] members, ladies and gentlemen:

It is with great enthusiasm that I attend the celebration of our party. As president of the Republic, I govern for all Mexicans, and as a party member, I participate with pride in the Institutional Revolutionary Party.

We are celebrating 63 years of the most important political institute in the country's modern history, without which it would be impossible to understand its development, the social peace it has enjoyed, the political difference that distinguishes us from other nations, and the complex, diverse, and pluralistic social fabric that our country has today.

In the party, the majority of Mexicans have found not just an instrument for expressing their electoral preference, but the existence of a national political space to make possible working together and reaching consensuses, engaging in ideological debate, and strengthening national unity around the program of the Mexican Revolution.

That is why there have been progress and peace in this country; that is why our freedoms have been expanded and we are fighting hard against injustice in Mexico.

Friends and party members, today we are carrying out the reform of the Revolution. This reform is a guarantee of its permanence and vitality. Unlike other revolutions, now abandoned and discredited, ours remains in the people, in the party, in the principal political protagonists of the country. Its tremendous vital force lies in the fact that it embodies the principles that have been at the heart of our entire history, projected onto new realities, and that it strengthens Mexico.

Today, in the face of change throughout the world, we must answer various questions. How can we build Mexico's strength at the end of the 20th century and the beginning of the 21st century? What ideology guides the party and the government to ensure their permanence, their historic objectives, and their rich culture?

The Mexican liberal program of the 19th century transformed structures and practices to rid the country of privilege and servitude, of the anarchy of force. It also served to free the nation from its immobility, its isolation in a world that was industrializing and changing the status of the old empires.

When it came into contact with reality, our liberalism became an original one. Its struggles always had popular, agrarian roots: the demand for equal consideration for all of the population, the rejection of monopolies, the secularization of society and the supremacy of civilian power, the federal proposal behind the regions, and above all, the national determination to resist threats and foreign ambitions.

That is why our liberalism worked for us as nowhere else in the Americas. The triumph of the reform in the 19th century, the liberal reform, designed the structure of the nation, lending it continuity and giving it a future. As Reyes Heroles pointed out, ours was a triumphant liberalism.

Furthermore, the Mexican Revolution did away with peonage under dictatorship; it freed labor, the land, consciences, and thus dignity. It defended the sovereignty of the nation against the emergence of new hegemonies, against threats to its resources and its independent political program.

It took from the liberal program its goal of freedom, giving it a decisively social character. It put the state in charge of development and national resources; it made the Revolution's demands for land, work, and education a program for the future.

Today, the reform of the Revolution lends validity and relevance to social liberalism to guarantee our historic idea of a nation. It does so to achieve the objectives of sovereignty, justice, freedom, and democracy. We are building here a new vision of the Revolution for our times, proud of the past but not held back by its ways.

This is not a neoliberal reform. There cannot and should not be any confusion between these extremes. That is why, during these times of accelerated change in the world and profound transformations in our fatherland, it is imperative that we steer a clear course and maintain precision in our ideas.

Two theories are clashing here: one that is in eternal decline, and another that will have little viability even as it is born. This is the clash between absorbent statism and possessive neoliberalism. Neither one nor the other responds to the goal of reforming the Revolution; neither the new reactionaries who promote statism nor the neoliberals embody our struggles or synthesize our ideas or guide our decisions.

The philosophy behind our actions is social liberalism, which is deeply rooted in our history and totally valid for the present and the future. Let us establish clearly how to strengthen the principles of sovereignty, justice, liberty, and democracy in Mexican social liberalism, and let us make clear how extremely different it is from the other two ideological proposals.

First: sovereignty. For neoliberalism, globalization and the processes of regional integration are good cause to declare borders to be an obstacle, nationalism an outmoded concept, and national sovereignty a concern of the past. It therefore speaks of a world without borders or nations, of supranational organizations designed to regulate not only international affairs, but also internal affairs. The neoliberals advocate the organization of elections from abroad, multinational military forces, and external trials and convictions of nations for their behavior.

The new reactionaries of statism, on the other hand, want to abide by the rules of the past, as if there were still a bipolarity in which we could play both sides against the middle, ignoring the realities and weakening ourselves in the process. To act according to the proposals of the neoliberals is to give up our sovereignty; to act according to the suggestions of the new reactionaries is simply to provoke interventions, weakening our sovereignty.

Sovereignty is fundamental to our social liberalism; it is the reason for our survival, and the sole objective that gives meaning to the goals we are pursuing, because we want them to be ours. Mexico's geographical position is unavoidable, and it leaves no room for doubt. The nation must guarantee its strength at all times so that it can remain sovereign in the vicinity of the biggest power in the world.

Only the proposal of social liberalism strengthens our sovereignty. More economic interaction does not include—and we will not allow it to include—political integration. On the contrary, we are diversifying in international relations so that we can be stronger politically, and we derive internal economic strength from our active participation in the regions, which concentrates the dynamic of world growth.

Second: the state. Neoliberalism keeps the size and responsibilities of the state to a minimum, on the sidelines of national life, indifferent to the disparities and gaps between opulence and misery, and incapable of

regulating and reversing the excesses and abuses of the market. Its role is exclusively to protect against crime, without regard for justice.

The new reactionaries, in contrast, would like to see the return of the excessively proprietary, expansive state. The growing bureaucracy would be practically the only protagonist in national life, and not only would it be limited in its ability to promote justice, but it would also be increasingly inefficient.

Our social liberalism, on the other hand, promotes a state that expresses solidarity, that is committed to social justice, and that is always working within the rule of law, guiding change within the framework of the law and strictly enforcing human rights.

Within the economic sphere, social liberalism assumes that a market unregulated by the state promotes monopolies, aggravates injustice, and ends up canceling out growth. A proprietary, excessively regulatory state prevents social initiative from unleashing energy for prosperity.

That is why social liberalism advocates a state that promotes, that encourages initiative, but with the ability to strictly regulate economic activities and thus prevent the few from abusing the many. A state that directs attention and resources toward the satisfaction of the population's basic needs, that is respectful of labor rights and the autonomy of trade unions, and that protects the environment. This is not a proprietary state that supplants the initiative and decisionmaking of families, but rather one that helps them achieve their own goals with their own effort.

Our social liberalism does not permit the state to become the only participant in political, economic, and social decisionmaking, responsible for everyone and everything. But it will never consent to be an absentee state, incapable of dealing with the excesses of the market, unable to meet neglected social needs. It is a state that uses the law to transform reality to provide more justice, more liberty, and more sovereignty.

Third: social justice. For neoliberalism, society is strictly a setting for isolated, individual participation. According to the rules of possessive individualism, there is no reason for individuals to incorporate the interests of others in their decisions.

For the neoliberals, justice resolves itself. The growth of the economy will, at some point in the future, send benefits trickling down that others will be able to enjoy.

The new reactionaries, for their part, would like to see a grand, paternalistic state, even if it has to be financed with inflation and excess. Social justice for them means deciding what to give to whom, through more bureaucracy from centralism.

For us, in social liberalism, justice is an objective toward which we must deliberately strive. It is an explicit commitment that must be promoted at the same time that growth and stability are fostered. This is the objective of Solidarity and the social programs that have been developed by the governments of the Revolution. The justice we are pursuing rejects paternalism, which replaces the decisionmaking of individuals and communities. It also rejects populism, which makes promises it cannot keep or fulfills its promises by going into debt, spurring inflation, or creating more misery.

Solidarity, the current expression of our social liberalism, accomplishes real deeds without violating fiscal discipline; it truly respects the dignity of Mexicans, because they decide and participate directly, without a bureaucracy. Our commitment is to social justice in day-to-day affairs.

Fourth: freedoms. For neoliberals, formal freedoms are the only guarantee that the state should protect with the law. They feel that the individual is isolated, without any relationship or duties to the community.

For the new reactionaries, freedoms are subordinate to the state's redistribution projects. For the former, economic growth is an exercise of the market; for the latter, it is a state action. For the former, the only freedoms are transit, hearing, petition, belief, and thought, and they only conform to the existence of rules for exercising them. For the latter, the bureaucracy exercises these freedoms on behalf of and in the name of the people who do not have the means to do so.

For our social liberalism, the lack of respect for the rules of law generates oppression, but without opportunities or adequate material provisions, the exercise of freedoms is limited.

Social liberalism revives the moral value of the individual and combines it with the moral value of the community. That is why we have made a broad commitment to liberty, the essence of the human being within a context of justice.

Fifth: democracy. The neoliberal is committed to a model of democracy that only considers the individual in isolation, not in connection with his forms of organization. The neoliberals do not want mobilization or participation, only individuals guided by professionals, with the risk of putting the control of the electoral processes up for bid—to the benefit of big economic interests.

The new reactionaries claim that democracy means respect for the vote, but it is credible only when they win. In practice, democracy for them advances with the destruction of the opponent, not the vote of the majority.

For the social liberalism of our Revolution, democracy is a legal structure and political system that obliges the state to respect the vote, in joint responsibility with the parties and the citizens. It is also a way of life based on the constant economic, social, and cultural betterment of the people, in which the state has responsibilities to meet without trampling or ignoring the desires of the individuals or their organizations.

Democracy begins with elections, but it does not end there. The state must respect freedoms and promote social justice, expanding opportunities for prosperity and fomenting social cohesion, considering the autonomy of the different groups.

Sixth: education. For neoliberals, education is the exclusive responsibility of the individual, and therefore they oppose the responsibility of the state or the existence of a national educational system, with principles and values accepted by consensus.

The new reactionaries, on the other hand, rule out any participation of society in education; they are intolerant and at the same time dogmatic.

For social liberalism, education is a fundamental part of the country's integral development, and teachers are basic protagonists in the struggle for sovereignty and social justice.

We promote a national educational system with the freedom to educate, assigning broader responsibilities to the state and the regions, as well as society. The educational content of this system reflects our times, pride in our history, and the strength of our nation. It reaffirms the state's responsibility to impart a free and secular education, with mandatory primary schooling, a great vehicle for social mobility, and with decent living conditions for teachers. It advocates quality education for liberty and justice.

Seventh: the farm sector. Neoliberals perceive this as an economic activity, subject to the same rules of the market, without a history and without a people. For the new reactionaries, it is a permanent building site [reparto], even if only on paper; they claim to protect, when what they really want to do is subject the ejido and the community to the decisions of the bureaucracy, preventing them from exercising their freedoms.

For the social liberalism of the Revolution, the farm sector is a thread of historical continuity in communities and towns throughout the nation. The reform of the Revolution fully accepts the constitutional recognition of the ejido and the community. It effectively promotes agrarian justice; it opens up opportunities for peasants to exercise their freedoms, not their needs, supported by the government's development programs; and it encourages associations and protects communities.

The reform is aimed at achieving the goals of the agrarian revolution: justice and liberty for everyone in the Mexican farm sector, and fighting for the dignity and well-being of peasant families.

We are leaving behind a paternalistic vision that offered only promises. We are moving on to one of respect and true support, expressed in deeds.

Eighth: the Indians. Neoliberals regard indigenous communities as white elephants that they would rather see disappear.

The new reactionaries think that the Indians should be isolated, assuming that they can thereby be protected from contamination and loss of identity; but in fact, they end up proposing the creation of reservations where the Indians are left to languish.

In the view of social liberalism, the Mexican nation has a pluricultural composition, originally based on its indigenous peoples.

We want them to be able to decide, like all Mexicans, how they are going to live, and we want them to have all the means to achieve that end. For this reason, today the law protects and promotes the development of their languages, cultures, uses, customs, resources, and specific forms of organization.

If we recognize that they have contributed the most profound roots of our history and nationality, we must take them in wholeheartedly: We must fight against the inequality they suffer, respecting the exercise of their freedoms and the life and dignity of their own communities.

Ninth: food, housing, health, and quality of life. For the neoliberal, these are the business of each individual or family, and the state has no participation whatsoever in providing them or determining their content.

For the new reactionaries, they are the exclusive responsibility of the state, without encouraging the participation of the needy majorities, and without paying any attention to how well these needs are met.

For social liberalism, in food as well as housing, health, and the quality of life, the state is fully involved. But it understands that society shares the responsibility for solving its problems. Social liberalism promotes new methods of ensuring broader participation in problem-solving and more effective responses to the provision of services, with openness and fairness.

Tenth: the party's ideology, nationalism. For neoliberals, ideologies are dead and history has ended.

For the new reactionaries, ideology is the expression of 20 or 50 years ago, that of closing our borders and engaging in confrontations with other countries. They are waiting for the imaginary pendulum of history to swing back toward vindicating the bureaucratic, excessively proprietary state.

Our social liberalism proposes a nationalism suitable for the end of this century and for the 21st century: one that preserves its historic meaning (which the neoliberals are lacking), but that is not tied to procedures from the past, composed of public policies that are inoperative today (like those of the new reactionaries). It rejects the versions that associated nationalism with exclusive, oppressive states, as well as those that serve today as standard-bearers for regionalisms that divide and disintegrate.

Our nationalism is the defense of national interests, which is what is needed today in Mexico and in the world in which we live; it is open and active in its

relations with other countries, to better protect what is ours; it is democratic and respectful of the dignity of individuals, so that everyone counts in the defense of the nation; it is tolerant, defending human rights and freedoms and promoting justice.

This is the national interest; this is the meaning of Mexican nationalism for our times, and we are committed to it.

My fellow countrymen and party members, the Revolution is reforming today. It is doing so in the only way that is consistent with itself and with its roots in the past: by recognizing its commitments, which go beyond contingencies and circumstantial solutions and take into account the realities of the country and of the world, and look solely to the future.

We must maintain our principles so that the fatherland will be free as it faces the world: free from poverty and backwardness, free from impediments to the exercise of rights, and free from obstacles to stable growth, job creation, and opportunities for living a decent life.

That is why I have emphasized that the reform of the Revolution is liberty and justice; its goal is the sovereignty of the nation.

The modernization of the country is not complete. Much remains to be done. We need better democracy, more social justice, more growth, employment, and prosperity, a greater presence for Mexico in the world.

All of these changes should be reinforced and consolidated, and we must make sure they reach the neediest among us: the workers of rural and urban areas, the middle classes, women and youths, low-income groups.

These are the aims of the party and of the government that the party brought to power, because they are a means of achieving the objectives of the Revolution and of strengthening our fatherland.

The PRI is a long-standing political party that in the past has been able to change, and that is now advancing in its reform. Moreover, it has done so with great effectiveness. Its 14th Assembly was momentous: It allowed the party to modify the processes for selecting its candidates, review its campaign procedures, form true structures for electoral competition, as the times demand, and create the new collegiate bodies of the party which we welcome today: the national and state political councils.

The PRI has decided to be a party of citizens as well as organizations and sectors; not of citizens alone, because that would cause it to lose the mechanisms for mobilization and proselytism of its organizations, which many political parties in the industrialized and democratic countries have. It has also decided not to be a party merely of organizations, because now many citizens want to belong and vote for the PRI directly, without any intervening bodies.

The PRI is revamping itself, as it has done on other occasions in its history, to win power democratically, and also to exercise it. It is strengthening its territorial structure so that it can expand its electoral base in competitive elections, reaching out to the citizens and to new organizations. But it is also revamping its sectoral structure so that the exercise of power can have organized social bases and so that it can maintain a dialogue with the government on the actions that are most important to the country.

The PRI today is the promoter and organizer of political forces that are taking shape as the new Mexican society of the 21st century. This is a strong trait of the PRI that will ensure that social liberalism remains in the government; that the government effectively exercises it and stays in constant contact with the social bases that the party brings together.

The successful result of the federal elections in 1991 can be explained in large measure by its proven ability to change. The PRI has ceased to be almost the only party; but it has managed to consolidate itself as the majority party at the national level, recognizing the intense competition in various regions and states.

The party is stronger. For that reason, I repeat, our party will continue to change. Those who do not believe that will find in democratic electoral competition the response to a strengthened PRI.

The party must continue changing according to the dictates of its leaders and members, and as thoroughly as these new times demand. But as it continues changing, the PRI will have to do so to strengthen itself democratically, not to weaken itself.

The defense of our country's sovereignty, the maintenance of the system of freedoms, the promotion of social justice, and the process of democratization itself require a democratically strong PRI. That is the message that the citizens sent us in August 1991.

The party cannot be complacent, because the citizens have already shown that they will not place their trust in us regardless of the cost or the circumstances. They want a PRI working closely with the people, responding to their demands, showing that it can change itself and the country, without putting the country at risk or undermining social peace.

The PRI must continue working intensively to deserve the vote of the majority of Mexicans. There are no guarantees, except for the results of hard work, vision, political commitment, and loyalty to Mexico. The reform of the PRI is not complete. The PRI members will determine the facets, times, and rates of that continued transformation.

I am sure that it will demonstrate its political strength democratically in the state elections this year. Now the PRI knows how to be close to the population, how to

compete and win. It will bring the reform of the Revolution to all of the federative entities, and it will guarantee that the transition to the 21st century will be made in peace and liberty, with social justice and effective progress for the population, with a sense of nationalism, within the framework of social liberalism.

I have no doubt of that. I recognize in all of you the will to make it a reality. And in your leader, the capacity and commitment to direct the modernization of the party and to work for the goals of the revolutionary program.

I commend your leader for the coordination of the effort to achieve a victory in the federal elections of 1991. I commend your leader for the endeavor to modernize and strengthen the party.

That is why I express my recognition and appreciation for your leader, who has carried this out with his valiant and loyal commitment. That is why I commend Luis Donaldo Colosio.

Fellow party members, the PRI has been able to correct and shift its attention to what the people are demanding, to fulfill its promises, to promote better governments, and that is why it is the party to which the majorities give their trust and their vote. It has been capable of growing, incorporating within it the new organizations of society.

Therefore, PRI members, the PRI is the party that is democratically in power. It is a party of the vanguard that is changing itself because of an internal desire, without allowing reality to overtake it. A party that, without sectarianism, allows room for all national expressions. A party that has found in change the source of its own strength and its own destiny. A party capable of integrating groups and ideas, without straying from its course. A political organization that will continue to be the party that is democratically in power, because that is what the majority of Mexicans want, and because there is a willingness to respond to their aspirations with deeds.

This is the best recognition of what it has represented in the last 63 years of our country's history: room for expression, coordination, and consensus among the most representative forces of the nation.

Fellow party members, today I find enthusiasm, conviction, discipline, a desire to win, a willingness to work, and a commitment to service.

Onward, PRI members! We are working for the victory of our fatherland!

Long live the PRI!

Long live Mexico!

El Salvador

Government Issues Statement on Goulding Visit

PA2003044792 San Salvador EL MUNDO in Spanish 18 Mar 92 p 17

[Statement issued by the National Communications Secretariat in San Salvador on 16 March]

[Text] The Government of the Republic of El Salvador hereby wishes to express its recognition of Mr. Marrack Goulding, joint secretary of UN peacekeeping operations, for his valuable work during his recent visit to our country from 11 to 14 March. The purpose of the aforementioned visit was to verify that the peace agreements are being upheld, as well as to offer solutions to some of the problems that have caused delays in the enforcement of the agreements and have also caused mistrust and uncertainty among the Salvadoran people as a result of the illegal takeovers of land.

The government specifically thanks Mr. Goulding for publicly recognizing before his departure all that the government is doing to uphold the agreements, as well as for recognizing the positive and flexible attitude and the atmosphere of cooperation and understanding promoted by government officials in the meetings with the joint secretary.

The government hopes that the FMLN [Farabundo Marti National Liberation Front] will act in a responsible manner, in accordance with the offers made to Mr. Goulding. The government hopes that the FMLN will uphold the peace agreements, especially regarding anything related to troop concentrations and to the land problem. Regarding this last issue, a media campaign aimed to incite takeovers of land or to prolong those illegal takeovers that the FMLN has already conducted would represent a violation to the promises and commitments the FMLN has made to Mr. Goulding.

The Government of the Republic takes this opportunity to extend its thanks to UN Secretary General Mr. Butrus Ghali for sending a person of great ability and moral authority, such as Mr. Marrack Goulding, to El Salvador to verify the enforcement of the agreements during one of the most significant moments in the enforcement of the Peace Agreements.

16 March 1992
National Communications Secretariat

'Death Squads' Against Land Redistribution

PA2003043792 San Salvador DIARIO LATINO in Spanish 17 Mar 92 p 1

[Text] Rebel leader Joaquin Villalobos on 17 March accused the death squads of issuing a communique against the redistribution of land.

"These are surely the same individuals who murdered guard Nazario de Jesus Gracias," Villalobos said, referring to the new, self-styled "Civic Coordinating Board for the Defense of Democracy."

The FMLN [Farabundo Marti National Liberation Front] representative in the National Commission for the Consolidation of Peace, COPAZ, said it would be dangerous for the security bodies and the Armed Forces to have ties to this organization. "This is a destabilizing and dangerous element for the peace process, especially if what they state in the communique comes true," Villalobos said.

Amnesty Sought for Killers of U.S. Advisers

PA1903175492 San Salvador Canal Doce Television in Spanish 0300 GMT 19 Mar 92

[Report by Alfredo Villarreal]

[Text] Omar Pastor [as heard], defense lawyer for two former Farabundo Marti National Liberation Front, FMLN, combatants who confessed to participating in the murder of U.S. advisers in San Miguel, will demand that they receive the benefit of the amnesty decree promulgated by the government with the end of the war.

Within the current atmosphere of national reconciliation that resulted in the creation of a law of pardon and forgiveness in some cases, the defense lawyer for the two guerrillas accused of killing two U.S. advisers while overflying FMLN positions will ask the Chinameca Court to apply the amnesty law to the defendants, since the crime they are charged with was the result of the 12-year Salvadoran armed conflict.

[Begin recording] [Pastor] We will take the necessary steps. If they are entitled to amnesty, we will request it; if not, we will proceed to the final consequences.

[Villarreal] Do you think they are entitled to amnesty?

[Pastor] Yes. This case has received much publicity because of who the victims were. I am sure if the victims were Salvadorans, there would not have been so much fuss. Since they were U.S. citizens, the situation is different. [end recording]

Pastor said this case could be handled by the Truth Commission, so the former rebels' release is imminent. He added that the FMLN act of delivering the rebels to justice was positive.

[Begin Pastor recording] It was very honest to turn in combatants who have struggled for their people for so many years and who are viewed as victims of circumstance. In my opinion, delivering them to justice was an act of honor. [end recording]

According to judicial sources, since the extradition request for the two guerrillas was denied, they were sent to the Mariona Jail for security reasons.

National Solidarity To Participate in Elections

PA2003134392 San Salvador Canal Doce Television in Spanish 0300 GMT 20 Mar 92

[Text] The National Solidarity Movement announced it has been formally and officially granted legal status as a political party by the Supreme Electoral Tribunal. The new party expressed [words indistinct] opportunity as a party and, second, to participate as an observer in the National Commission for the Consolidation of Peace.

[Begin unidentified party member recording] A subcommission is already preparing the new electoral code. We have found a great deal of understanding among the secretary generals of the parties with whom we have met. [end recording]

The political party asked all involved to be sincere and serious in solving the problems facing the peace process.

[Begin unidentified party member recording] One side points out that the other is deceiving him; the other does the same. We must create a new style of politics in this country. We must be sincere. We cannot sign agreements thinking we are going to break them in 15 days. [end recording]

The political movement, legally registered on 27 February by the Central Elections Council—as it ended its operations to make way for the Supreme Electoral Tribunal—stated it has already initiated preparations to participate in the 1994 elections.

Nicaragua

* Divergent FSLN Groups Supported

92CA0102B Managua BARRICADA in Spanish 19 Feb 92 p 3

[Commentary by Sergio de Castro]

[Text] The sudden emergence of the "Group of the Center" and other proposals to create discussion forums within the Sandinist Front has brought to the fore once again the issue of democracy in the heart of the Sandinist National Liberation Front (FSLN). Earlier, particularly during the First Congress, the National Workers Front (FNT) was recognized as a current with a considerable "organic" quality.

The Sandinist Front defined itself, at its First Congress, as a party "that unites all Nicaraguans who are committed to its revolutionary program" (FSLN Bylaws, Title I, Article 2), and recognized as members all those who accept its principles, program, and bylaws, "without regard for religious creed, economic status, and ethnic group."

By not imposing any classist limitation on its membership, it agreed to be a pluriclassist revolutionary party that "defends the interests of the popular majorities, and that, deeply rooted in the people, struggles for liberty and social progress in the most humble sectors of the population" (Principles and Political program of the Sandinist National Liberation Front, I.2,a).

That is the reality of the Sandinist Front, and whether we like it or not, its members include farm workers and big growers, merchants and artisans, technicians and peasants, labor and management.

During the First Congress, in an article published in BARRICADA, I proposed that we recognize this fact and "accept that the different sectors, either individually or in groups, have the right to express their opinion on problems and to make their contribution to solving those problems, from the perspective of Sandinism and the Revolution."

It was the very practices of the Sandinist movement that created this situation, and as I said at the time, to expect workers and small business owners to agree on everything or give up their revolutionary alternative would be to ignore the history of the FSLN.

The diversity of its membership should not, then, be seen as an obstacle to unity; it should be viewed as a source that enriches Sandinism as a national proposal, a proposal that will unite Nicaraguans around a revolutionary project of social justice, deeply rooted in the people.

In this regard, the currents of opinion that exist in the FSLN are the expression of that pluriclassist reality that is Sandinism, with an unequal development of each and every one of its social, organic, and territorial expressions.

It is the task of the executive bodies of the FSLN, from the National Directorate itself down to the Sandinist Assembly, as well as the other organizations of the party, to channel the contributions that may come from these different currents of opinion to help formulate policies on the different areas and problems of society.

The National Directorate's communique of 7 February, in which it states that it has studied the proposals of the so-called "Group of the Center" and asserts that they "are part of the necessary debate that is taking place within the FSLN," is a step in that direction.

The National Directorate implicitly acknowledged in that communique that currents of opinion are legitimate, but that does not give them the necessary "legality." Their "legalization" is the next step, so that the rules of play can be laid down clearly and explicitly. In this way, these opinions can be expressed in an atmosphere of total openness, without recriminations or denunciations.

Thus, whether it is the "Group of the Center" or the Sandinists who belong to the FNT, currents that are already organized and those that may emerge in the future will be in a position to contribute to the formulation of policy in the FSLN and to help build a new consensus on revolutionary positions.

The program approved at the First Congress, with its pluses and minuses, is the point of departure for the work that all Sandinists, without exception, must undertake.

Now we must offer the people, especially those most seriously affected by the economic crisis, a proposal that goes beyond the present moment and provides an alternative for economic and social development.

* Commentary Views FSLN Divisions, Survival

92CA0102A Managua LA PRENSA in Spanish 13 Feb 92 p 18

[Article by Jose M. Alvarado]

[Text] When the results of Nicaragua's 1990 elections became known, the impact on the Sandinist National Liberation Front (FSLN) was incalculable. The FSLN was not prepared, as a party, to lose. Curiously, that development marked the beginning of a new era: the liberation of the members and activists of the Sandinist Front after 11 years of a radical totalitarianism that had deprived the entire membership of the right to think for themselves. They had had to adapt or confine themselves to the slogan, "National Directorate, tell us what to do." They even got to the point of keeping their thoughts to themselves, because it was impossible to express them. They had lost their trust in their friends, their "comrades," and what was worse, they exchanged their ideological principles for personal interests. No one trusted anyone.

Next they began falling back on positions of fear, on neutral positions, on survival tactics or comfortable positions, and the latter undoubtedly damaged the Front further. After all, it is important to remember that the FSLN's support and advisory groups were composed primarily of people who had not endured the difficult struggle of the people; they arrived when the table was already set, and they became the eternal opportunists who, along with the "leaders," had a monopoly on the truth. They could not be questioned.

It is for this reason that they are now, albeit timidly, little by little, losing that fear of expressing themselves and speaking out, as if entering a period of relaxation. Although the Front exists as a front, and everyone revolves around it, each one has his own ideas and thinks—because that is the model they have—that he owns the truth and is capable of generating a good idea, an idea that is closer to reality. This may, in the future, create innumerable factions.

Deny it as they might, the first great schism is not ideological in nature. If we think back a little, we can see that the Front was a rather vague movement, sometimes calling itself Marxist-Leninist, other times leftist socialist, other times social democratic, but there was no specific declaration clearly stating their fundamental principles. If there had been, the violation of the fundamental principles of any organization—be it political, religious, or of any other sort—amounts to the negation of the movement itself. But in the Sandinist Front, no one ever knew exactly what these principles were, because they would negotiate depending on the circumstances, within what was called the strategy of the Revolution and the strategy of alliances.

As I said earlier, the first great schism is not an ideological one; it is a divergence of interests, and it has arisen between those who economically ended up with capital goods and those who ended up with nothing. And we cannot underestimate the resentment that human beings feel when things like this happen. The combatant, the "comrade" who spent many years working for the Front underground, suddenly realizes that he is out in the cold, while the guy who arrived in 1980, who had comfortable positions, who never endured hardships, is well off. It is natural for this "comrade" to think it is unfair that the one who, in his opinion, had no merit, has all his problems solved for him. That is the root of other schisms that may arise out of other factors, such as the one who ended up with a lot versus the one who ended up with little, and the opportunistic positions that flourished immediately among those who, though they failed as a group, now have no qualms about constantly showing off the property they acquired.

It is clear, then, that currents are beginning to emerge within the great Sandinist mass, always revolving around the Front. But they are doing so in a very abstract way, almost hesitantly. And the majority of the people in the vanguard, as far as anyone knows, does not represent in the slightest way the sectors that are capable of rallying around them that great blurry and confusing Sandinist mass. They are people without enough charisma to put together a single bloc. The Sandinist Front experienced a very curious phenomenon: The individuals within it took the movement's charisma; that is, the Front as a group lent its charisma to the individual, in this case to the members of the National Directorate, because they themselves had none. This becomes even more obvious when we realize that after 11 years, some "leaders" of the Front continue to use the same discourse, a discourse that is lacking in appeal and divorced from reality. They are unaware that the people, tired of ideologies and empty words, want to solve their fundamental problems and have been unable to do so. They are also unaware that although they are still with the strongest team, it is because they need to identify themselves with something.

It should be noted that we are seeing a completely new phenomenon that has no precedent in history: The world was polarized, with the left on one side facing off against the right on the other, and suddenly it became depolarized and the movement of the left lost its validity. The Sandinist Front was not prepared for the resulting situation, since it is so confusing that even the Soviet Union has lost its political balance and with it the cold war. We can illustrate this by citing the specific example of Gorbachev: He came, he saw, he fell; not he came, he saw, he conquered. In other words, his adversaries outdid him in political maneuvering. So why continue to believe that the National Directorate of the FSLN will not suffer the same fate? Why continue believing that

they will be adept enough to survive the political maneuvering of their opponents? That they will not succumb to self-indulgence and adulation, when they have already proven that they have such vices? A number of ambitions have already come to light, causing us to ask, what kind of front do they want? Or, perhaps more honestly, what kind of front serves their interests? That leads to differing opinions, and each school of thought tends to turn into a different political group.

We must not confuse these groups with factions, because in the latter what prevailed was an eminently tactical view of the struggle; that is, factions emerged because some thought the struggle should be in the mountains, others thought it was organizing workers in the cities, and others said we must fight now, today, tomorrow is too late. That is what produces factions, and it is fine to use that term. But now, it is not a matter of different tactics; the situation is quite different. That naturally creates an ideological problem, if it can be considered that way: It is hoped that, supported or backed by opportunistic positions that everyone is aware of, they will generate small groups of parties [partiduchos], spread out over time and across the political spectrum.

At this point, we must ask: Can the Sandinist National Liberation Front survive? Something or someone will come along with enough appeal to bring together all those free thoughts which, for the first time in 11 years, the members and activists of the Front are experiencing, aware that they are in charge of expressing their own ideas and that they have a different dimension than they had during the years of "National Directorate, tell us what to do." Can the Sandinist National Liberation Front survive that?

* Editorial Criticizes 'Elitism,' Wage Gap

92CA0102C Managua EL NUEVO DIARIO in Spanish 15 Feb 92 p 4

[Text] All of the arguments put forth by the government for denying pay raises collapse in a heap in the face of the scandalous revelations about the Central Bank. At that institution, 34 privileged officials serve themselves big helpings of salaries, bonuses, compensations, Cred-O-Matic cards, and who knows what else, while they deny the other employees a simple job reclassification that was previously agreed upon.

The facts are flagrantly clear: 34 officials share a total pot of 579,053.37 cordobas per month, while the remaining 879 employees receive 707,731.79 cordobas. This yields an average salary of 17,030 for each of the former and a paltry 805 cordobas per month for each of the latter group, barely enough to meet their families' basic needs if they scrimp and save.

We might add that, while the workers are denied loans, the fat cats help themselves to long-term loans (six years), enabling their relatives to buy fancy cars and have plenty of money to move back from Miami and live here in the lap of luxury.

This scheme has been put in place by the government to favor an elite, to the detriment of the majority who are barely able to put food on the table. It creates humiliating and embarrassing contrasts that can only cause unrest and incite popular protests.

It is impossible to forget the promises that an austere government would be installed, in keeping with the country's dire economic straits. This reveals the greedy [pinatera] nature that is the legacy of the past governments of our illustrious bourgeoisie, updated by these modern predators disguised as lambs.

The abusers, who are masters of pilferage, are rewarded and allowed to leave the country in peace, to enjoy the fruits of their misdeeds, while the workers are clubbed and prosecuted, as happened to the Aeronica employees.

The government's sensitivity in rejecting any attempt to improve the lot of the people disappears as if by magic when it comes time to punish the wrongdoers, despite the promises of Dona Violeta and her minister, Antonio Lacayo, that they will crack down hard on those with sticky fingers.

It is these officials who are the real saboteurs of international aid—since they are tarnishing the government's image with those governments that would like to lend a hand to the Nicaraguan people—not the poor people who are fighting for a plot of land or a meager pay raise.

Panama

President Guillermo Endara Outlines Oil Policy

PA1903165392 Panama City EL PANAMA AMERICA in Spanish 19 Mar 92 p 4A

[Article by President Guillermo Endara Galimany: "The New Oil Policy"]

[Text] Among the few viable alternatives we have to resolve our country's energy problems is liberalizing or opening up the hydrocarbons market. The issue is now under discussion, because the contract between the nation and the Texaco Oil Company expires in September of this year.

For 35 years, oil has been refined in Panama under special contractual provisions that will soon end. In exchange for sizable investments in our country in 1957, the government agreed to protect the local market of that industry against competition by making oil product imports prohibitive. In 1972, the government chose to modify the conditions. Later, the elements of the San Jose Pact with Mexico and Venezuela for supplying oil and the Coral Gables Agreement to guarantee profits to the oil company were added. Today, the situation of the country and the world is not the same.

It is absolutely true that the refinery represents an important economic activity in our country. It employs more than 300 Panamanians and provides intangible

benefits, such as a guaranteed supply, quality control, and safety in handling its products. But some experts have estimated that if all oil by-products were imported at international market prices, the country would save between 30 and 60 million balboas annually.

No one can predict what will happen in that market. It is possible that in a free market, prices will fluctuate more often than they do under the existing policy. But it is impossible to continue with rules that guarantee the local market to the company whose contract expires in September.

Among the rules is also the so-called profit guarantee. It is a clause whereby the nation guarantees profits to the company at a level established in the Coral Gables Agreement. This provision currently translates into higher prices for consumers.

The state should be tasked with establishing the conditions of competition and policies clearly and attractively enough so that healthy competition can take place in the country, ultimately resulting in the best possible price for Panamanian consumers. In keeping with the economic policy that guides us, this is the path we will undertake in the hydrocarbons area.

Guidelines for Interoceanic Authority Draft Bill

Part I

PA1803160392 Panama City LA PRENSA in Spanish 8 Mar 92 p 2A

[Report: "Guidelines for Draft Bill on the Authority of the Interoceanic Region Law"]

[Text] Part I

Chapter I: Creation, Purpose, and Definitions

Name and Nature

Article 1: Create the Authority of the Interoceanic Region of Panama, which henceforth will be called the Authority, and which will have legal status, its own assets, and an autonomous internal system.

The Authority will be under the guidance of the executive branch, subject to the general observations the president of the republic makes concerning the way it functions.

Purpose

Article 2: The Authority's primary purpose will be to exclusively manage the planning, advancement, use, and administration of the reverted properties or properties that are reverted to the Republic of Panama in accordance with the Panama Canal Treaties of 1977 and their adjunct agreements.

The Authority will fulfill the purpose expressed by adjusting itself to the general plan for the use, preservation, and development of the canal area and the respective partial plans adopted by competent state organizations.

Article 3: The Authority will have the following goals:

a. Promote and foster the Interoceanic Region's economic development in such a way that optimal advantage will be taken of its resources, the entire republic will reap its maximum benefits, investments will increase, and jobs will be generated.

To achieve this goal the Authority, with the essential technical support, will prepare general strategies, policies, and plans that will allow it to preserve and exploit the reverted properties and develop the interoceanic region through adequate usage plans.

b. Concentrate and coordinate all procedures pertaining to the reverted properties that are carried out by competent central government organizations, autonomous or decentralized entities, and municipalities.

c. Supervise the transferrence of properties to the Panamanian Government by the U.S. Government by reason of the treaty, to ensure proper fulfillment of this law and the assignment of these properties to the best corresponding uses.

d. Coordinate activities with the functioning of the Panama Canal.

Definitions

Article 4: For the purpose of this law, the following definitions are established:

"Canal Area": The former Panama Canal Zone.

"Reverted Properties": The lands, buildings, and facilities that have been or will be reverted in accordance with the 1977 Panama Canal Treaties and adjunct agreements, excluding the Panama Canal, its area of operations, and the teams assigned to the Panama Canal.

"Interoceanic Region": All of the reverted properties as they are defined in this law.

Solely for purposes of planning and development, the interoceanic region includes the canal area, the canal's hydrographic basin, neighboring urban and rural areas (cities of Panama and Colon and urban areas of Cativa, San Miguelito, Arraijan, and La Chorrera), and those areas that the Authority decides to eventually incorporate to the region.

"Treaty": The 1977 Panama Canal Treaty and adjunct agreements.

Chapter II: Attributions

Article 5: To reach its objectives, the Authority will have the following authority:

a. To receive, for its own use, apportionment, development, or administration, all the returned assets mentioned by this law.

b. To plan, coordinate, and decide on specific strategies and plans to use, conserve, exploit, and administer the returned assets.

c. To organize a complete inventory of the returned assets and to appraise these assets.

d. To issue the necessary rules to use, exploit, adjudicate, grant concessions, and administer the returned assets, as well as to issue rules having to do with procedures or situations involving this law.

e. To plan, approve, and decide on the implementation of specific projects in the interoceanic region.

f. To be the sole grantor of licenses, permits, concessions, and other legal instruments for the utilization, enjoyment, or exploitation of returned assets and pertinent contracts.

g. To regulate the services it provides and to establish tariffs and rates for the utilization of these services.

h. To buy, sell, assume obligations, hire qualified technicians, build structures, and implement programs necessary for complying with its objectives and for carrying out its functions.

i. To plan activities in the Interoceanic Region and to reach agreements with other state authorities to whom the law may assign some sort of authority in that region.

j. To adopt the general plan for the development of the interoceanic region and the general plan for the utilization of the canal area soil.

k. To adopt adequate and necessary conservation measures in favor of the returned assets to avoid the deterioration, decline, loss, usurpation, or any other situation that may lead to a drop in its economical, ecological, historical, or any other value.

l. To assume, within the framework of its objectives and attributions, any other function or responsibility it may receive from the executive branch or as a result of laws.

Chapter III: Administrative Structure

Direction and Implementation Organizations

Article 6: The Authority will be governed by the board of directors [junta directiva] and the general administrator [administrador general]. It will have the necessary administrative units and personnel to exercise its authority. Constitutional and legal norms and regulations on administrative carreers will be applied in designating this personnel, excluding the personnel for jobs on which exceptions have been made.

Board of Directors [Junta Directiva]

Article 7: The board of directors will be composed of nine members assigned by the executive branch for a 15 year period. These assignments are subject to ratification by the Legislative Assembly. Each of the members will have the generic title of director.

Requirements

Article 8: To be entitled to appointment to the board and to perform in the framework of the board, the aspirants to the board of directors must fill the following requirements:

a. Be Panamanian.

b. Be at least 35 years old and have lived a minimum of 10 years on Panamanian territory.

c. Must not have been sentenced to prison by the Judicial Branch for any crime involving fraud or actions against the public administration.

Experience

Article 9: In naming the board of directors, the executive branch will make sure it is made up of a group of directors who possess education and experience in the different functions of the Authority.

Election of the President

Article 10: The Board of Directors will choose a president from among its members. This president will also be the general administrator of the Authority and will be appointed by the executive branch and ratified by the legislative branch.

The general administrator will fall within the hierarchy of a minister of state.

Meetings

Article 11: The board of directors will meet once a month on a regular basis, and it will do so exceptionally when summoned by the president or following a written petition from three of its members. Decisions by the board of directors will be made through an absolute majority of votes.

Duties

Article 12: The board of directors is responsible for:

a) Approving the Authority' policies, programs, and general projects, and establishing general guidelines for its good performance.

b) Approving the Authority's annual budget as well as any other irregular expense.

c) Evaluating, approving, or rejecting all proposals for the use, enjoyment, or exploitation of reverted properties, as well as awarding and authorizing the respective contracts, as the case may require.

d) Approving all contracts higher than fifty thousand balboas (B/50,000) related to services, projects, technical assistance, and the purchase of equipment and supplies needed for the proper functioning of the Authority.

e) Approving the regulations of the present law.

Permanent Absences

Article 13: Permanent absences [ausencias absolutas] by the directors and the general administrator will be replaced by adopting the same formalities that were used in naming them, and this will be valid throughout the rest of the corresponding period.

General Administrator

Article 14: The general administrator will be responsible for the full administration of the Authority, in accordance with this law. He will be responsible for the Authority's legal representation and will be allowed to delegate this responsibility to another official for a particular purpose, with the prior consent of the Board of Directors.

Duration and Required Time

Article 15: The general administrator will occupy his position for a period of ten years. He is required to work full time and will not be allowed to occupy any other public or private position.

Duties

Article 16: Some of the general administrator's duties are:

a) To preside over the meetings of the Authority's board of directors.

b) To promote, coordinate, supervise, and evaluate the studies and projects related to the development of the interoceanic region.

c) To handle and evaluate applications and documents related to development initiatives of the interoceanic region.

d) To prepare and submit for review to the board of directors the budget draft bill and the annual activities report.

e) To present an annual report about its operations to the executive branch, the comptroller general of the Republic, and the pertinent state organizations.

f) To name, move, promote, suspend, and remove the administrative personnel, as stipulated by the internal regulations.

g) To sign contracts and conduct transactions related to the functioning of the Authority in amounts that will not exceed fifty thousand balboas (B/50,000).

h) To sign contracts related to the use and exploitation of the reverted properties, in compliance with that which this law decrees.

i) To assume the active and passive management of the Authority's funds and assets.

j) To submit for the approval of the board of directors the regulations regarding the use of those areas of land and water, as well as of those facilities that have already reverted or that will revert [to Panama].

k) Any other duty that may arise from the present law, as well as from any other law or decision by the board of directors.

Removal

Article 17: The members of the board of directors and the general administrator will be suspended and in each case removed from their posts through a Supreme Court of Justice trial for the following reasons:

a. For crimes against the public administration.

b. For fraud.

Suspension or removal will be implemented without affecting any penal sanction investigated and decided upon by the competent authorities.

The total dismissals resulting from the implementation of this article will be replaced with the same formalities established for appointments, and will be for the remainder of the term of the respective officials.

Article 18: Any director or the general administrator may be suspended or removed from his post due to a sufficiently serious administrative mistake or mistakes that may justify this measure, which must be adopted by a minimum of two thirds of the board of directors, according to regulation.

Chapter IV: Assets, Finances and Supervision

Assets

Article 19: The Authority's assets are:

a. The allotments for its functioning that are included annually in the nation's budget.

b. The exclusive administration's right to use and benefit from the reverted properties in accordance with this law.

c. The income received as royalties, bonuses, privileges, rates, and tariffs for services rendered, or for permits, licenses, contracts, or concessions granted, or profitable activities.

d. Legacies and donations received from individuals or legal entities, nationals or foreigners.

e. Any other properties, rights, or shares that become part of its assets by virtue of the law, or legal acquisition by onerous title or free of charge.

Administration

Article 20: The Authority will be governed by a financial budget and administration program for a period of five years, which will be prepared and controlled annually. This program will be prepared using modern accounting rules.

As soon as the Authority's economic conditions allow, the program in question will be based on the principle of financial self-sufficiency, according to which the Authority through its annuities, concessions, rights, and

other income, must cover the costs of its operations, property maintenance, investments, and reserves.

The program will be approved by the board of directors and will be subject to the constitutional laws that govern the general state budget.

Financial chief

Article 21: The chief of The Authority's office of financial administration will be appointed or removed by the general administrator, with the board of director's approval in both cases.

Economic surpluses

Article 22: In the event that annual economic surpluses are generated after The Authority's budgetary needs are met, these surpluses will be used in the manner indicated by the state.

Initial funds

Article 23: The state will provide the Authority with the budget allotments that it may need for its initial progressive operations, until the Authority achieves its own financing.

Part II

PA1803204392 Panama City LA PRENSA in Spanish 9 Mar 92 p 2a

[Report: "Guidelines for Draft Bill on the Authority of the Interoceanic Region Law," Part II]

[Text]

Deposit and Managing

Article 24: The Authority's funds will be deposited in government banks, except in cases when the board of directors authorizes the opening of a bank account abroad, if this is deemed to be in the Authority's interest.

The bank accounts will be managed by the general administrator, in accordance with the corresponding budget and accounting norms.

Supervision and Control

Article 25: The managing of the Authority's funds and patrimony will be subject to the supervision and control of the Comptroller General's Office, in accordance with applicable constitutional and legal norms. It will also be subject to independent external auditing, the results of which will be published annually.

Chapter V: System of Property and Adjudication Procedures

Property and Administration

Article 26: The State is the owner of the reverted goods. The Authority will have administrative powers over them, in accordance with the points established by this law.

Distribution

Article 27: The transfer or any actions of the state that may affect the ownership of the reverted goods will require previous recommendation from the Authority and the approval of the Cabinet Council.

The aforementioned transfers or actions that may affect the ownership of the reverted goods will not undermine the established rights over the goods that may have been granted in concession by the Authority.

Exploitation

Article 28: The goods administrated by the Authority may be subject to permits, licenses, or concessions for their use, enjoyment or exploitation; or any other onerous activities or contracts that do not affect or transfer the property.

Article 29: The granting of rights for the use, enjoyment, or exploitation of the reverted goods will be carried out by the Authority in accordance with the procedures and norms established in this law and its rules.

Evaluation

Article 30: The Authority, through a resolution from the board of directors, will establish the guidelines for establishing the values of the reverted goods, while safeguarding the nation's best interests.

The values proposed for each one of the assets will be approved by the board of directors and countersigned by the Ministry of Finance and Treasury and the Comptroller General's Office.

Official Initiative: Procedure

Article 31: To ensure their use and exploitation, the Authority will publish—on a periodic basis or when the board of directors orders it—for a minimum of six days and in at least two newspapers of national circulation, announcements to inform the public of the availability of certain reverted goods for their use or exploitation.

The announcements will include the following information:

a) Location, delimitation, and description of the goods subject to permits, concessions, or other forms of exploitation;
b) general description of the goods;
c) area or lot codification;
d) feasible uses for the goods in question;
e) limitations to which the goods are subject; and
f) any other information considered convenient.

In accordance with what the rules may establish, the announcements may also be published in newspapers abroad, wherever the Authority considers there may be persons interested in the type of use or exploitation in question.

Participation Period

Article 32: The board of directors, in accordance with regulations, will establish the period when persons or companies interested in signing contracts may file applications, which must give the following information:

a) General information on the applicant;
b) description of the requested asset, indicating its surface area and other important data;
c) the activity to be carried out;
d) the estimated number of jobs to be generated;
e) the rent or amount to be offered; and
f) any other information requested by the Authority, which could include tax clearance certificates, compliance bonds, and other requests.

The interested party will be able to include in his application all additional elements he deems appropriate for the evaluation of the same; such as technical, academic, commercial, and bank references, as well as plans and diagrams.

If the aforementioned period expires without applications being filed or if the applications filed were not accepted, a notice informing the public will be published in two national newspapers for three days. Based on this, the Authority will determine whether to adopt other measures. Periodically, the Authority will publish a list of unused properties that may be obtained through contracts.

Additional Information

Article 33: The Authority will be able to require from applicants or from any other person or public entity, additional information it deems necessary to evaluate the applications.

Evaluation Procedure

Article 34: The applications filed in accordance with the aforementioned announcements will be submitted by the Authority to an evaluation procedure established by the regulations.

Adjudication Criteria

Article 35: A decision on the applications mentioned in the foregoing articles will be made based on objective adjudication criteria established in the regulations.

Among these criteria, importance will be placed on the following:

a) The greatest possible creation of socioeconomic benefits for the country;
b) the greatest possible creation of jobs; and
c) the greatest uniformity of the proposal with the General Plan for the Use of the Canal Area.

Public Bid

Article 36: It is a basic and general norm that the adjudications for the use, benefit, and exploitation of the reverted properties will be conducted through the public bid system.

In cases considered exceptional by the board of directors, the Authority will be able to use other forms of adjudication that will be established in the regulations.

Private Initiative

Article 37: When an individual files a request to use a specific property or project, the Authority will implement the procedures established in the preceding articles, as long as the activity to be implemented by the petitioner falls under the General Plan for the Development of the Interoceanic Region or the criteria established by the board of directors, according to the present law.

Adjudication

Article 38: The board of directors will be responsible for evaluating, approving, or rejecting the proposals presented. The adjudication will be done through resolutions approved unanimously by the board members.

Contracting

Article 39: The general administrator of the Authority will sign the contracts for the use, benefit, and exploitation of the reverted properties.

Conditions

Article 40: All contracts pertaining to the reverted properties must specify the manner in which the contractor is to use those properties, as well as the term within which he must fulfill the obligation in question. Any contract that does not contain those stipulations will be void. It is to be understood that included in the contracts are grounds for administrative rulings, expirations, or the cancellation of the contracts, which is stipulated in the Fiscal Code, related laws, and the regulations issued by the Authority to develop this law.

Terms

Article 41: Adjudications and contracts to use, benefit from, or exploit the reverted properties will be conferred for a negotiated period between the sides, and in a manner consonant with the requirements of the project and the state's interests. In no case will the deadline exceed a term of 40 years. All contract deadlines may be extended as long as either of the sides requests such an extension within a deadline of no less than one and no more than two years before the contract's expiration, and through a new negotiation and agreement by the sides.

Regulation

Article 42: In addition to specific arrangements stated in this chapter, the Authority's board of directors must

regulate the procedures for the adjudication and exploitation of properties in accordance with the terms of the current law. These regulations and their reforms, where reforms may exist, must be published in the OFFICIAL GAZETTE and a daily newspaper of broad national circulation.

Record of Concessions

Article 43: The Authority will maintain an orderly record of permits and licenses for use, enjoyment, concessions, or any other activities that may affect the use or exploitation of the reverted properties under its administration, stating the persons favored by each contract and the contract's value. This record will be open to the public for consultation.

Chapter VI: Special Acquisition Regime

Special Regime

Article 44: The following special regime for the acquisition of materials and equipment and awarding of contracts to implement works and render services for the operation of the authority is established.

a) The acquisition of all materials and equipment and contracts to implement works and render services amounting up to $10,000 may be carried out directly, while ensuring that the best prices and conditions are secured for the authority.

b) The purchase or contracts to supply materials and equipment, carry out works, or render services for amounts over $10,000 and under $50,000 may be carried out through a system of written bids that will be announced two weeks in advance with no further requisites.

c) In cases of purchases or contracts to supply materials and equipment, carry out works or render services, or expenditures that total over $50,000, the board of directors will take bids. Should part of or the entire bidding process be declared void, the administrator general will proceed directly to award contracts to render services and supply materials for which no contract has yet been awarded, as the case may be.

Acquisition of Larger Amounts

Article 45: In cases of purchases or contracts to supply materials and equipment, carry out works, render services, or expenditures of more than $250,000, the board of directors will proceed in accordance with the following:

1) In case there is a sole bidder, the submitted bids are rejected, or that part of or the entire bidding process is declared void, the process may be divided into parts. The part or parts that respond to the economic and operational interests of the interoceanic authority may be awarded and new bids may be accepted for those parts that have not yet been awarded or an entirely new bidding process may be called.

2) Open a bidding, with authorization to buy directly the materials and services for which no bid was presented or whose bids were declared void, as long as the overall value is not greater than $200,000.

3) Award bids that combine the above options should they guarantee the best economic and operational interests of the authorities.

4) Adopt the supplementary provisions of regulations that specify other options to further safeguard the economic and operational interests of the authority.

Chapter VII: Final Dispositions

Privileges and Exemptions

Article 46: The Authority will enjoy all the facilities and privileges that procedural laws may grant the state in the legal actions in which it participates.

Coercive Payment

Article 47: The Authority will have coercive jurisdiction to be exercised by the general administrator, who may be able to delegate this function to institutional officials.

In addition to the documents mentioned in the Fiscal Code, the internal audit certifications, regarding any kind of pending payments owed to the Authority, will serve for the purpose of collecting [prestaran merito ejecutivo]

Exemptions

Article 48: The Authority will be exempt from paying any kind of tariffs, taxes, contributions, fees, obligations, or rights, except for social security, education tax, and professional risks quotas.

Public Registry

Article 49: The interoceanic region section will be established in the Public Registry, where the following documents will be registered:

a) Documents describing the location, capacity, measures, and property lines of the real estate reverted or pending reversion to the Republic of Panama by virtue of the 1977 Panana Canal Treaties.

b) Title deeds of the properties mentioned in the above paragraph or that may belong to or be the private domain of the state, obtained by public or private entities.

c) Titles whereby the rights of enjoyment, use, inhabitation, mortgage, easement, antichresis, or any other real rights on the properties mentioned in the previous paragraphs are established, amended, or eliminated.

d) Ownership titles of buildings private persons or public entities may build.

e) The actions and contracts issued by the Authority, whereby rights of any nature, which the law empowers the Authority to administer, are established in favor of

private citizens, as well as the liens, restrictions, conditions, or limitations on the exercise of these rights.

The Public Registry section mentioned in this article will have a special regulation, based on a bill that the board of directors will propose to the executive branch.

Limitations

Article 50: The powers that the current law grants to the Authority will not affect the limitations on reverted properties included in the 1977 Panama Canal Treaty, while the Treaty remains in force.

Article 51: The Foreign Ministry will continue exercising the duties that fall within its purview regarding relations with the United States on the matter of the functioning of the Canal.

Duration

Article 52: The current law will be in force 30 days after its publication in the OFFICIAL GAZETTE.

Repeal and Amendments

Article 53: The laws and decrees (named here) are repealed and amended.

Transitory article: The appointments of the first members of the Board of Directors will cover the following periods:

a) Three directors, who will serve in their posts until 31 October 1994;
b) Three directors, who will serve in their posts until 31 October 1999;
c) Three directors, who will serve in their posts until 31 October 2004.

As the previous periods end, the executive branch will make the corresponding amendments, based on this law.

Argentina

Menem Blames Suicide Unit for Embassy Bomb

PY1903193692 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1846 GMT 19 Mar 92

[Text] Buenos Aires, 19 Mar (NA)—President Carlos Menem today confirmed that the perpetrators of the bomb attack that destroyed the Israeli Embassy are members of "a suicide commando" and reiterated that the blast was apparently caused by "a car bomb driven by an Argentine citizen who recently converted to Islam."

Menem made these remarks by telephone to Argentina Televisora Color. He also confirmed the arrival in the country of Mosad—Israeli intelligence service—"specialists in the field" to cooperate in the investigations of the attack.

Menem also added that "further investigations will be conducted today" to clear up the attack. Commenting on the perpetrators of the attack, Menem said: "Judging from the reports we received yesterday by some news agencies and from Israel, the attackers are members of a suicide commando."

He noted, however, that everything "is being investigated."

Menem added that the blast was apparently caused "by a car bomb driven by a 19 or 20-year-old Argentine citizen who recently converted to Islam."

Menem noted that this is all he can report at this time "because there are other questions that must be kept absolutely secret in order not to jeopardize the investigations."

Menem added: "The main thing is that, in light of this attack, we must strengthen our faith and continue to strive with all our might to defend peace and justice and, above all human life, which is a gift of God that men cannot take away."

Menem added that "No country has failed to convey its condolence and solidarity with Argentina over this unfortunate incident."

Attack Masterminded 'Abroad'

PY1903144892 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1407 GMT 19 Mar 92

[Text] Cordoba, 19 Mar (NA)—Justice Minister Leon Arslanian today said here that the attack on the Israeli Embassy in Buenos Aires "was masterminded and planned abroad" and that the perpetrators received "some local support."

In remarks for a radio station, the minister said: "The investigators get the impression that the attack was masterminded and planned abroad and that it received some local support. This latter impression is supported by the use of cars and the management of the theater of operations."

Arslanian stated that the investigations are seeking to "find the type of Arab fundamentalist organization that is operating and the people who could have entered the country recently and who are acting as liaison, courier, or something of that sort."

Arslanian noted: "Of course, it takes time, and it is necessary to carefully evaluate each of the elements being studied. It is not easy to resolve actions like this, given the advantage of those who carry them out."

The minister said: "This was a carefully planned action and, as the planning was more careful, it is more difficult to solve."

In addition, the minister suggested "waiting a little because some loose ends must be tied, and some room must be allowed for the investigation."

Deputy Mission Chief Killed

TA1903184092 Jerusalem Qol Yisra'el in English 1800 GMT 19 Mar 92

[Text] The body of another Israeli has been recovered from the rubble in Buenos Aires. He is the deputy head of mission, David Ben-Refa'el, who leaves a wife originally from Chicago, a nine-month-old son, and a three-year-old daughter.

Economy Minister Discusses Possible Devaluation

PY2003033392 Buenos Aires BUENOS AIRES HERALD in English 19 Mar 92 p 3

[Text] (DYN-NA)—For the first time since last April 1 Economic Minister Domingo Cavallo admitted that the current one dollar/one peso parity could be up for revision, should circumstances so demand. While denying any short term devaluation, Cavallo told a meeting of farm representatives that "if there was a need—and this isn't the case now—a small daily adjustment could be applied." The minister was speaking during a Farmers Day at the Grains Exchange.

"It could be considered at Congress and it would not take anybody by surprise," Cavallo added.

"The only thing that is ruled out is a sudden and unexpected jerk in the rate of exchange," Cavallo added. A sudden devaluation of the currency would be akin to "swindling the people of Argentina," Cavallo added.

Cavallo also warned that any government which attempted a brusque devaluation "would fall" as a consequence.

The minister suggested that businessmen need not worry if the balance of payments begins showing a deficit. "This is natural," Cavallo said.

He maintained that the increase in imports and the arrival of capitals were a "healthy sign," so long as these capital resources were earmarked toward production and not speculative activities.

Cavallo signalled out the economic evils of improductive spending by the state and heavy expenditure by travellers overseas. Cavallo ruled out that the inflow of capital would be blocked by levying a capitals tax, to keep monetary emission down.

Cavallo also suggested that the convertible peso could be tied to a basket of various currencies, intead of just to the dollar. But he denied that there would be any devaluation, large, small, gradual or abrupt, in the short term.

On another note, the minister took a swing at the banks offering loans to small investors to buy Telecom shares. "I'm not in agreement with that, and I prefer financial institutions to aid production," he said. Some banks have cut off credit lines to finance the Telecom sale, offering easy-to-access loans to potential investors. At the moment it is much easier to get a bank loan for Telecom than for capital goods or a home purchase.

His condemnation of the Telecom loans was the only point of his speech during which he drew any applause from the farmers present. "When I heard on the radio an ad from a bank offering loans for Telecom I was scared," he said.

"This is not reasonable behaviour in a country which has to produce. The only reason I can find for the production of milk, poultry, vegetables and other products not to have risen given the sharp increase in demand is that there is not enough credit available," Cavallo said, in the only part of his speech which drew any applause from the farmers on their day.

Bolivia

EFE Condemned for 'Irresponsible' Reporting

PY1903185492 La Paz Television Boliviana Network in Spanish 1700 GMT 19 Mar 92

[Text] The government has rebutted an EFE report on a possible coup d'etat in the country. The agencies involved will investigate the origin of the report.

Interior Minister Carlos Saavedra Bruno said that this type of report, where the source is not even mentioned, only seeks to damage the country's image.

[Begin recording] The EFE journalist does not provide any solid grounds for his allegations. The damage inflicted on the country has been recognized by our most important journalists, those who make opinions in the country, and the Bolivian press as a whole. This report damages us greatly. It is groundless, and it paints a picture abroad of a country that does not make any efforts to overcome its differences, to advance to consolidate democracy, and to move toward a better future. [end recording]

Official government spokesman Jaime Cespedes agrees with the interior minister in rejecting and repudiating this journalist's report. Cespedes said the government will implement drastic measures to prevent similar incidents in the future.

[Begin recording] [Cespedes] First, we are going to get in touch with them directly because I believe we can find a solution through dialogue. We are going to ask for proof because the article involves the government and the Armed Forces. The article cites anonymous sources, they admit this in the report. Explanation must be given for this. I hope it is only their inexperience, or their ignorance of our national situation, because they are new here.

[Unidentified reporter] Did the government hear any reaction from the Armed Forces regarding this report?

[Cespedes] The Armed Forces have said that their dignity is deeply wounded because they are being used to damage the country's image abroad. They have told us this much, and they will probably release a communique at the proper time.

[Reporter] Minister, considering the damage to the country, would it not be a good time to set a precedent to prevent future incidents like this one?

[Cespedes] I am grateful to hear the press suggesting that. The minister of government has said that we would not like, in any way, to lead anyone to think, even remotely, that a direct government measure is being taken to restrict freedom of the press in response to such an irresponsible act. That is why we are very cautious but very rigorous and strong when deciding what measures to implement. [end recording]

Government Allocates $600 Million to Debt Service

PY1903175292 La Paz EL DIARIO in Spanish 7 Mar 92 p 9

[Summary] Jaime Delgadillo, secretary of the Bolivian Central Bank Foreign Financing Committee, has reported that the government has allocated approximately $600 million for the servicing of its foreign debt in 1992. In December 1991, the foreign debt totalled $3.5 billion. He added that the current administration has already paid at least 50 percent of the foreign debt that it inherited at the time of its installation—nearly $600 million—and that the main Bolivian creditors are: The Inter-American Development Bank, the World Bank, and the Japanese Government.

Brazil

Economy Minister on Taxes, Debt, Salaries

PY1903180692 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Mar 92

[Interview with Economy Minister Marcilio Marques Moreira by Corban Costa; place and date not given]

[Text] [Costa] Minister, yesterday President Fernando Collor ended the need for taxpayers to present information regarding their credit cards for this year, yet credit card companies refuse to release the information. How will you resolve the impasse?

[Marques Moreira] I think President Collor understands the difficulties facing taxpayers over the presentation of this information. Should we make credit card companies conscious, without any previous warnings, of the need for and the fairness of our request to provide this minimum information. We do not want figures in general. We want to know if taxpayers have a credit card, what kind of credit card, and their CPF [tax identity number]. This is the same information we are requesting from banks. This information will not violate the privacy of the people. It is the minimum information the tax department needs to fight tax evasion and to identify taxpayers who might need to be investigated.

[Costa] Will you issue a resolution ordering companies to present this information?

[Marques] We want this information. We are discussing the legal implications, but that is what we will probably do. We have already shown understanding and sensitivity by not requesting more information this year, particularly because it will be difficult to process them.

[Costa] What is the situation of the foreign debt. What can you tell us about the negotiation with private banks. Brazil has already closed agreements with the Paris Club and the IMF. Is Brazil ready to close an agreement with private banks?

[Marques] I am sure we will reach an agreement with private banks. We cannot forecast an exact date, but judging by the first days of discussions, which were very positive, I think we will have an agreement by the end of this month.

[Costa] Will Brazil achieve a single-digit inflation rate by the end of the year?

[Marques] I am convinced that will be the case. The deceleration of the past five weeks is very encouraging. It shows a clear trend toward lower inflation rates. Obviously, we cannot say exactly when we will reach the single-digit inflation, but we are convinced that the trend is toward lower inflation rates.

[Costa] What is the situation of the minimum salary?

[Marques] The government will submit a proposal to Congress establishing a minimum salary adjustment policy based on Law 8322.

[Costa] When will that proposal be submitted to Congress?

[Marques] The issue is still under intense study. We will wait until we have all the data. The analysis of the data is very important for this very important legislation. We are trying to pass from diagnosis to therapy on salary policy.

[Costa] Do you believe in an agreement in Congress on this point?

[Marques] Yes, it is more than reasonable for the executive branch and Congress to agree on something so important. On the one hand, we want to give workers and consumers a minimum contribution for their work, and on the other hand, we do not want to fuel the inflation rate. I think there is enough room for negotiations, discussions, and a common position.

* Flores on Status of Nuclear Submarine Project

92WP0182Z Brasilia CORREIO BRASILIENSE in Portuguese 9 Feb 92 p 10

[Interview with Minister of the Navy Admiral Mario Cesar Flores by Helio Mota and Joaquim Monteiro; place and date not given; first four paragraphs are CORREIO BRASILIENSE introduction]

[Text] Admiral Mario Cesar Flores heads the Navy during a time of scarcity. He is steering a course in the direction of mastery of a technology that could give the fleet modern equipment, including nuclear propulsion. The strategy is aimed at replacing old ships and, as he said, would bring about a qualitative improvement in the domestic shipbuilding industry and reduce the size of the crews on board Navy vessels. A modern ship, the admiral says, operates with a crew half the size of that of a ship designed during World War II.

Commanding a navy whose flagship, the aircraft carrier Minas Gerais, has no more than 10 years of useful life left, Flores is preparing the service to face challenges that are, literally, deeper: developing nuclear reactors to equip submarines. But he peremptorily dismisses the possibility that the armed forces have been developing any nuclear weapons project in the years since the Figueiredo government. In his effort to re-equip the Navy, he relies basically on Brazilian industry and has obtained, he told us, "an excellent response."

Former commander of the naval forces in the Amazon, where he served for four years, Flores is aware that Brazil must improve its defense and patrolling of the rivers in the region by using smaller vessels. In such a case larger vessels that are unable to reach certain points would be assigned to support the ground forces and the patrol boats themselves, having been equipped with infirmaries, heliports, and communications centers. He urges government investment in the form of grants to increase transportation facilities.

From his command post he calmly discusses the question of establishing a Ministry of Defense, a task he was working on even before he became Navy minister. He says that one must address the question of this country's political-military culture, and even consider the administrative obstacles that could result from such a move.

[CORREIO BRASILIENSE] Minister, does the Navy have enough equipment to protect the Brazilian coastline?

[Flores] We are way behind in terms of warships. Our ships are rapidly becoming obsolete and are being replaced very slowly, owing to lack of funds. We are trying to replace the old American destroyers with Brazilian-designed escort ships—corvettes of the Inhauma class—but so far we have only obtained two, already commissioned, and two more are in the final stages of construction. We would need at least four more identical vessels if we are to give up the old U.S. destroyers. We also need to replace the U.S.-origin submarines that are very old, and even the British submarines—the Oberons—which are still doing a good job but are of 1960's design. These two programs are moving ahead very slowly because of the funding problem. The units that we chose as replacements are fine ships, especially the submarine, which is a very nice ship. Three of them are under construction at the Navy's Rio de Janeiro Shipyard. We are concluding negotiations to start work on one more.

[CORREIO BRASILIENSE] And what about the aircraft carrier?

[Flores] That ancient aircraft carrier, unquestionably an old ship, a ship from the 1940's that spent a long time in mothballs, poses a serious problem. It is impossible to extend its useful life for another five or eight years.

[CORREIO BRASILIENSE] Is the Navy thinking about replacing the Minas Gerais?

[Flores] Replacing the Minas Gerais is linked to the aviation problem. We have to decide what kind of carrier-borne aircraft we are going to use—whether they will be merely antisubmarine craft or more diversified planes, such as naval strike aircraft. That dictates the choice of a replacement for the Minas Gerais. And it is rather a knotty problem; first, because it depends on two ministries, and second because it depends on money. The ship alone would cost about $400 million.

[CORREIO BRASILIENSE] Wouldn't it be feasible to use ground bases for defensive objectives?

[Flores] To protect our coastal traffic, yes. That kind of defense, using modern equipment, does not require an aircraft carrier because we can operate the airplanes from land in conjunction with shipborne helicopters. However, if we want to go farther away, we would have to take carrier-based aircraft. Obviously, our problems are not in distant areas, but we do not know what tomorrow may bring. We need an aircraft carrier so that we do not lose the air-naval technology we have already learned to use and then have to start over from square one in time of need.

[CORREIO BRASILIENSE] How is the Navy's nuclear propulsion program going?

[Flores] We have a perfectly clear, open and above-board plan whose objective is to produce a nuclear propulsion system for ships. The great powers like the United States and the former Soviet Union also use nuclear ship propulsion in surface vessels, including large aircraft carriers. It would be ridiculous to use nuclear propulsion for our escort ships, but not for a submarine.

[CORREIO BRASILIENSE] Why?

[Flores] Because it gives a submarine some additional advantages such as secrecy—the ship could travel under water for weeks. It can travel at great depths since it does not need the atmosphere, it has a very wide radius of action and a high speed when submerged. That gives it the kind of strategic and tactical mobility that a submarine should have. We have a study that shows that even in a circumscribed theater of operations like the South Atlantic, we would need three conventionally powered subs to perform the same missions that we could accomplish with one nuclear submarine. And remember that conventional subs have the disadvantage of being less discreet.

[CORREIO BRASILIENSE] What is the status of the technological development of the project?

[Flores] Brazil has been working on mastering the technology of the fuel cycle for 13 years now. We want to have control over everything from the uranium ore to its use in a reactor. The Navy is participating in the program, but did not have any role at all in the initial phases of the cycle, in processing the ore and producing the yellow cake. And even the production of uranium hexafluoride, which is the next stage, consisting of a gas used for enrichment—that was a program very well carried out by the Institute for Nuclear Research (IPEN) in Sao Paulo.

[CORREIO BRASILIENSE] So what is the Navy's role?

[Flores] We are definitely involved in the enrichment phase. There are several processes being used to accomplish this. The best known is the one used by the United States and the former Soviet Union—the gaseous-diffusion method. But we opted for the ultracentrifuge method. We have achieved success in the laboratory and are now working at the Ipero facility, known as the Aramar Experimental Center, to move up to the industrial demonstration scale.

[CORREIO BRASILIENSE] And what about the reactor?

[Flores] We are building an experimental reactor with a power rating of 11 megawatts. That is sort of an esoteric figure, but this reactor is being developed entirely with the Ministry of the Navy's budgeted funds, while the fuel cycle project has backing from the Strategic Affairs Secretariat, through the National Commission for Nuclear Energy (CNEN), which handles the coordination of the project and passes funds on to us for it. So we opted for a size that we imagined would be suitable for naval propulsion.

[CORREIO BRASILIENSE] Is the Navy using Brazilian manufacturers in its nuclear program?

[Flores] The reactor is being built entirely by Brazilian industry. We had a very good response to all our

demands from Sao Paulo manufacturers. We were impressed by how several aspects of the technological problem were answered by industry. The managerial role of the Navy in this matter is this: We specify what we want and we develop the initial concept. Then we call in the manufacturers, and it is up to them to carry out the technical projects to their conclusion.

[CORREIO BRASILIENSE] Can you give us any details about that industrial response?

[Flores] We had metal alloys developed for the parts that turn at extremely high speeds inside the ultracentrifuges and for the parts that come in contact with the hexafluoride, which is extremely corrosive although it does not pose any radioactivity risk. All these were developed to order for us by Sao Paulo industry, which shows that we have an industrial structure that has answers to our problems.

[CORREIO BRASILIENSE] Minister of Education Jose Goldemberg said that the Brazilian military planned to make nuclear weapons. Is that true?

[Flores] That does not jibe with reality. According to what is known about the matter, about 10 or 12 years ago there was a project that would have led to a nuclear device. That would have been at the beginning of the Figueiredo government. But while Figueiredo was still president that project went into decline and vanished. During President Sarney's administration there was no longer anything left of it. The military officers who assumed command positions in the present government insist that there was nothing about making nuclear weapons when this government took office.

[CORREIO BRASILIENSE] The Navy is still operating its shipyard, which is a factory. Doesn't that mean that it is competing with the shipbuilding industry?

[Flores] The Navy Shipyard is a classic industrial facility whose fundamental job is to build and repair our ships. It recently finished the second Brazilian-designed corvette and is building three conventional submarines of the Tupi class—submarines of German design. We are building them because we need the ships and the shipbuilding technology. They are ships with different technology, requiring extraordinarily strict quality control. That opens up the possibility of our building Brazilian-design submarines once we have firmly mastered the technological knowledge. And what is happening with the nuclear program we are going to try to do with submarines, using Brazilian components to the maximum degree possible, although the equipment may not be on the shelves today. They are new items that will spark a great demand for high quality in the industry.

[CORREIO BRASILIENSE] Even so, there is a Brazilian shipbuilding industry. Isn't the Navy Shipyard competing with that industry?

[Flores] The civilian industry reached its peak in the 1970's. It responded very well to Brazilian and world demand. We exported a lot of ships. But in the 1980's it entered into the same crisis that engulfed the shipbuilding industry all over the world, because of a decreased need for merchant ships. In addition, our shipbuilding industry, just like our merchant marine, was founded on bases that were somewhat monopolistic and out-of-date. Today it is hard to "sell" the Brazilian people on the need for subsidies that cost all of us money. Those kinds of things were already being cut back; the Collor government simply took that process a little further. All this led to this period of eclipse that our shipbuilding industry is experiencing.

[CORREIO BRASILIENSE] Is any thought being given to some way of turning this situation around?

[Flores] A government plan to create incentives for the shipbuilding industry is in the final study phase, but it would not involve subsidies. It would work through exemptions from import duties and measures to encourage exports. The government is aware that the shipbuilding industry's problems cannot be solved without solving the problems of maritime transportation. The Ministry of the Infrastructure is trying to improve the conditions under which our shipping companies operate. That will result in new orders for the shipyards. The Navy is only a minor customer of the civilian shipyards.

[CORREIO BRASILIENSE] Why is that?

[Flores] Because the shipyards are organized for building very large vessels of average technological sophistication. Modern warships are relatively small vessels of an extremely high degree of technological sophistication. What matters in a modern warship are its electronics. And what matters in a merchant ship are its structure and engines. Those aspects have been perfectly well mastered by our civilian shipyards, but when it comes time to adapt themselves to build warships, as Verolme had to do in order to build those two corvettes for us, much more effort was required than the Navy Shipyard had to exert. So the Navy is not the kind of customer that could help pull the Brazilian shipbuilding industry out of its slump.

[CORREIO BRASILIENSE] Does the Navy's modernization program call for creating a coast guard?

[Flores] As a separate organization, I think it would be premature because it would be very expensive. It's not an article of faith; I am not saying flatly that there can be no coast guard, as some of my colleagues are saying. I believe that in the future, if we get some budget relief, such a move could be considered. In fact there is a bill in Congress that would create a coast guard. But we intend to work for defeat of that bill. Our ships are performing a coast guard type service today. Those patrol and ocean rescue boats and the launches are dual-purpose vessels; they can provide both coast guard and Navy support services. And they use our facilities. That is an important detail. The creation of a coast guard would not only require taking some of those resources away from the Navy, but would make it necessary to set up a huge

support infrastructure, and we don't have that kind of money. Our opinion is that the coast guard should be developed as a service of the Navy and allowed to mature until it becomes feasible to separate it.

[CORREIO BRASILIENSE] Is the Navy increasing its hiring of civilians?

[Flores] Job for job, the civilian worker comes out cheaper for the federal government even if the salaries are the same, because of the indirect costs associated with the military. We would like to reduce the number of military and increase the number of civilians. The problem is that the Single Legal Regime Law created obstacles to the hiring of civilians, mainly in the industrial field. I cannot employ someone who is governed by that law at the Navy Shipyard, because no industrial facility works a 40-hour week as the Single Legal Regime Law requires. Furthermore, there is a requirement to hold a nationwide public competition just to hire an blowtorch welder, for example. There is a bill in Congress, introduced by the Secretary of the Federal Administration—which consulted us—and it contains provisions that would give us flexibility in hiring and firing employees in the industrial and research areas.

[CORREIO BRASILIENSE] What is your opinion about the idea of creating a ministry of defense to replace the present separate military ministries?

[Flores] Our view is that it is an organization that, sooner or later, will come to pass. It is just that our centuries-old political-military culture that has existed ever since the proclamation of the Republic has to be adapted to that concept. And that cultural adjustment cannot be accomplished by a bill of law. It involves a change in mentality. I am saying this now, but no minister of the Navy would have said what I am saying 10 years ago. So some progress is being made. The admirals of today have already accepted the idea that the Ministry of Defense is something that will come to pass. Just how it will come to pass is the problem. We have to get used to the idea, and that is actually happening. Then we have to sit down and figure out what it would be like, because this business of adopting a constitutional amendment and thinking that the problem is solved does not solve it. Then all you have is a mess.

[CORREIO BRASILIENSE] How can we avoid creating that mess?

[Flores] We have to sit down and address, responsibly and calmly, all the changes that would have to be made. In order to give you an idea of this, when I was Navy chief of staff before I became minister, we fiddled around with the problem; we talked about it.

[CORREIO BRASILIENSE] And what did that fiddling involve?

[Flores] I came up with a list of more than a hundred laws and decrees that would have to be changed, things that the law now says are responsibilities of the navy minister but that we do not know whether they would be assigned to the defense minister or to the commander-in-chief of the Navy. If there are no stumbling blocks along the way and no counterproductive attacks, we hope to have all this ready by the end of the present administration's term of office.

[CORREIO BRASILIENSE] That's the administrative question. What about the political-military cultural question?

[Flores] That is evolving favorably in the direction of acceptance. Ten or 15 years ago, people really got their dander up on this subject. Today people discuss the idea of a defense ministry quite naturally and reasonably, as something that will come about one day. And it is better that it comes about with us and not against us.

[CORREIO BRASILIENSE] What is the Navy's role in the Amazon?

[Flores] We have the Fourth Naval District in the Amazon, headquartered in Belem. It has two naval forces: the Naval Force of the North, with coast-guard type vessels that take care of the maritime border and the border on the lower Amazon. In Manaus we have the Amazonas Flotilla, operating from a small base, which takes care of the rivers. It has nothing to do with the maritime area, not even the delta.

[CORREIO BRASILIENSE] Is the Navy getting funds from the Calha Norte Project?

[Flores] The Calha Norte Project, whose funding comes through the Strategic Affairs Secretariat, has some shipbuilding commitments with us. These are patrol launches which we consider a priority. Two have already been built at the Navy Shipyard but for now, the project is at a standstill for lack of funds. We have also used those funds to build buoy-tender launches for the Amazon River, vessels that set out and service aids to navigation.

[CORREIO BRASILIENSE] What would be the best way to use ships in the Amazon?

[Flores] The patrol boats go as far up the river as they can and they serve as bases for the launches, which are sent further ahead. But despite the fact that the Amazon is an amphibious world, the Navy has a secondary role in the border problem, because most of the rivers penetrate the interior; they do not form borders.

[CORREIO BRASILIENSE] Passenger transportation in the Amazon has caused serious problems, there have been serious accidents with fatalities. Is some solution being found for the problem?

[Flores] The question of freight transport in the region has been satisfactorily addressed. But passenger transport is in fact a problem. If we tighten the inspection, then such transportation is no longer feasible. What is needed are grants of investment funds.

[CORREIO BRASILIENSE] And what about the privatization of the ports?

[Flores] What hinders the privatization of the ports is the immense volume of assets involved. The solution I feel would be viable is to privatize the services—something like a leasing arrangement that could be done by more than one company so that we would have competition.

Chile

President Views Constitutional Reform, Economy

PM1903153492 Paris LE FIGARO in French 18 Mar 92 p 3

[Interview with President Patricio Aylwin by Irene Jarry in Santiago; date not given]

[Text] [Jarry] Do you feel comfortable in the chair formerly occupied by Salvador Allende and General Pinochet?

[Aylwin] Occupying the Chilean president's seat is an honor. I feel comfortable in it. It is not for me but for history to judge each occupant of this seat.

[Jarry] Does not Gen. Pinochet, who is still commander in chief of the Armed Forces, represent an obstacle to Chile's democratization?

[Aylwin] It is not the ideal situation. Many Chileans would have preferred a different solution. But Chile has taken the path of democratization without confrontation, and the Chileans accept what was decided by the Constitution promulgated by Gen. Pinochet, pending its modification. And we will introduce reforms. But frankly, in my view, Gen. Pinochet's presence as head of the Armed Forces does not upset the smooth running of Chile's democratization.

[Jarry] What is the state of relations between the government and the Armed Forces?

[Aylwin] They are normal, as in any other rule-of-law state in the world. There was no political pressure from the Armed Forces two years ago when we formed the "Truth and Reconciliation" commission to establish what really happened during the dictatorship. The military noted that the courts were working seriously to seek those really responsible. I think that the problem is under control.

[Jarry] There is talk of the Chilean economic miracle, but a section of the population has been excluded from this development. What do you intend to do to overcome poverty?

[Aylwin] Poverty is not new in Chile, and Gen. Pinochet's regime cannot be blamed for it. But we think that the economic policy followed by that regime accentuated the difference between rich and poor.

We want fair growth, and essentially we say that it is not possible to solve the problem of the poor without increasing national wealth, and without producing and selling more. That is the policy we are pursuing. We want to implement an economic policy of the social type with state intervention to stimulate activity while curbing inflation, to satisfy the needs—mainly in the health and education sectors.

[Jarry] You announced a reform of the Constitution. To what will it relate?

[Aylwin] Our first reform concerns the electoral system, and we will finally hold municipal elections on 28 June. We also want to reform the legal system, to make it more efficient, and to silence the accusations of lack of independence.

We intend to propose the establishment of a proportional representation system. Finally, another reform will be to eliminate the permanence of the commanders in chief of the Armed Forces, which does not exist in any other country in the world. If I obtain the approval of Congress, this reform will be implemented following the departure of the current commanders in chief.

[Jarry] Your mandate expires in two years. Therefore, Gen. Pinochet may well stay at his post when you have left yours?

[Aylwin] Yes, that is very likely.

[Jarry] At present, Chile is preoccupied with the fate of Erich Honecker, who has taken refuge in Chile's Moscow embassy. Is that not likely to poison relations between Bonn and Santiago?

[Aylwin] It is a problem that will soon be solved. Negotiations are under way and, for this reason, you must understand that I cannot go into details.

You see, Chile has a tradition of giving help to anybody in a dangerous situation who requests it. Mr. Honecker has seen his country vanish and then the USSR, where he had taken refuge. The embassy received him but Mr. Honecker will not come to Chile without the German Government's authorization. Chile will not give him asylum and will not save him from his country's courts.

[Jarry] You said recently that the democracies were fragile. Do you fear for Chilean democracy?

[Aylwin] I think that the democracies on our continent are fragile, mainly because of economic and social imbalances. In our country, given our experience, I am confident both because of the policy aimed at reducing those imbalances and because of our culture (we, like Uruguay, have a great democratic tradition). I think that Chile is immune to the collapse of democracy.

[Jarry] Are the military also immune?

[Aylwin] I do not think that the military have any undemocratic aims.

Withdrawal From Espionage Case Ordered

PY1903145692 Santiago Radio Chilena Network in Spanish 1100 GMT 19 Mar 92

[Text] The interior minister has sent an official note to Prefect Nelson Medina, acting Investigative Police director, ordering him to withdraw the instructions that prompted the alleged espionage charges by the UDI [Independent Democratic Union].

This information was supplied by [Interior Ministry legal adviser and] cabinet chief Jorge Burgos, who added that orders were issued to cancel any planning or (?discussions) implemented as a result of this or other similar documents.

Asked if there is any infiltration into the Investigative Police, Burgos said:

[Begin recording] I am unable and unauthorized to answer that. It will have to be investigated. [end recording]

Burgos also confirmed the appointment of Attorney Hector Morales Ramirez as the new 11th Region intendant. He previously occupied the post of regional justice secretary.

Ecuadoran Envoy, Silva Discuss Pinochet Trip

PY1903202292 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 19 Mar 92

[Text] Ecuadoran Ambassador to Chile Washington Herrera was summoned this morning by Foreign Minister Silva Cimma to resolve the controversy around General Augusto Pinochet's trip to that country.

[Begin recording] [Herrera] I had a very cordial meeting with the foreign minister. We received explanations and clarifications on Gen. Pinochet's trip.

[Unidentified reporter] Did your government present a formal protest to the Chilean Government?

[Herrera] The government expressed what you all know through the communique released by the president of the Republic.

[Reporter] Did you receive an explanation?

[Herrera] We had a very cordial meeting, in accordance with the very close relations between Chile and Ecuador. We regret that we were not informed of Gen. Pinochet's trip in time.

[Silva Cimma] I received the Ecuadoran ambassador to present to him the circumstances of and reasons for Gen. Pinochet's trip to Ecuador. We learned of the Ecuadoran president's declaration through the media. We regret that Gen. Pinochet was given a qualification because he is the Army commander in chief and an authority in our institutional system.

[Reporter] Then it is you who requested the explanation?

[Silva Cimma] This is what, in diplomatic circles, is called a representation that I made on behalf of the government. He told me that the incident was somehow a consequence of the fact that they were not aware of Pinochet's trip. [end recording]

Colombia

Gaviria Discusses Political, Economic Issues

PA1903153792 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 19 Mar 92

[Interview with President Cesar Gaviria Trujillo by Dario Arizmendi on "Face to Face" Program in Santa Fe de Bogota on 18 March—recorded]

[Excerpts] [passage omitted] [Arizmendi] You presented yourself as a social democrat in your inaugural address and in your campaign speeches but, in reality, your actions show that you are a neoliberal, almost an ultrarightist.

[Gaviria] No, Dario, that is not true. I continue to be a social democrat, but in a way that corresponds to a modern social democracy, such as the social democracies of Spain, France, or some Latin American countries. We are talking about political parties that have a commitment to social causes, but with the clear desire to reform economic institutions. A free economy is necessary to modernize Colombia. There is no closed economy in the world that one can say is growing or that offers any opportunity....

[Arizmendi, interrupts] An open economy that still has high inflation, monetary problems that are very complicated and very difficult, and with changing rules....

[Gaviria] Yes, changing rules because to introduce change it is first necessary to change the rules of the game. There is no way to change institutions without first changing the rules, because the institutions are the rules. It is precisely those people who claim that the rules are not being changed who, in effect, are saying that there should be no changes. This is so because no one can make changes without changing the rules. I know that we have had some difficulties in the fight against inflation. Fundamentally, these difficulties can be attributed to great pressure, the colossal pressure, that the flow of dollars from abroad has created....

[Arizmendi, interrupts] But in some way, you are a victim of your own creation, a victim of the government's economic team.

[Gaviria] No. The problem did not become more complicated because there was an opening. If there had not been an opening, the revaluation would have been much greater than that which actually took place. The opening came at a good time, and it became extremely necessary for economic policy.

[Arizmendi] How may people received the benefits of the 5 billion pesos in interest that was paid in 1991 in open market transactions, or of the 800,000 pesos that has been paid this year?

[Gaviria] That was done to collect money in circulation, to counterbalance the money in circulation that would have increased as a result of the increase in international reserves. If it had not been for those open market operations, the interest rate would have been 50 percent higher than last year. What happens is that we live in a country that has market regulations. It is easy to believe that market regulations do not work; however, they do work. Faced with such important growth in international reserves, it was necessary to counterbalance that growth with open market operations, since the measures that could have been applied to the banking system had already been exhausted. We created a 100 percent cash reserve. It was not possible to continue to paralyze the banking system. Interest rates had already gone up high enough at one point last year. They have come down again substantially. That is the kind of phenomenon that has occurred.

[Arizmendi] Why are you obsessed with selling all state-owned and mixed companies? Where will so much money come from? Are the companies to be placed in a few hands or in foreign hands?

[Gaviria] That is a good question, because it refers to a discussion that is taking place in Colombian society. One should ask what should be the role of the state? We should ask whether the state should build schools and roads and attend to the problems of nutrition, sports, and culture, or if it should own large companies and banks.

As a member of the Liberal Party, I am very happy and feel a high degree of social sentiment believing that the state does not do any good by owning industries, most of which yield losses. They do not represent a benefit for the citizenry. As part of the reorganization of the Colombian Government, I am convinced that the state should be devoted to administering justice—providing security, health, and education and implementing social policies. These are the responsibilities of the state.

[Arizmendi] To what degree is the 50-percent increase in the VAT [Value Added Tax]—which rose from 12 to 18 percent—negotiable?

[Gaviria] The point is not whether it is negotiable or not. The fact of the matter is that the outcome should reflect the will of Congress. We have needs. The Board of Directors of the Bank of the Republic, which is responsible for handling monetary policy, correctly believes that a fiscal surplus should be established because , a fiscal deficit of any size is not compatible with good monetary policy at a time when international reserves are growing.

If a fiscal surplus cannot be realized, we will either have greater devaluation or greater inflation or some other undesirable consequences. For the president of Colombia, it would be easier to do nothing and not assume the political costs of tax reform. It would be easier to allow a revaluation of the peso, which would adversely affect exporters and increase inflation. It would be easier to fire tens of thousands of government workers, but I do not believe that this would be a responsible attitude on the part of the president.

The reforms that will emerge will obviously receive the support of Congress. It is very unlikely that we will realize a fiscal surplus. It is unlikely that Congress will approve increasing the VAT to 18 percent. This does not mean that the VAT is negotiable. A reasonable increase in the VAT will come out of Congress, but not what the government or finance minister wants.

[Arizmendi] If Congress drastically reduces the proposed increase in the VAT or rejects it altogether, will you resort to the temporary Article 43 of the Constitution to impose it?

[Gaviria] No. I want to state clearly that we are working with Congress. One cannot threaten others with extraordinary powers, imposing emergency taxes, or exercising authority granted by the Constituent Assembly. We trust that Congress will strike a balance and pass a reasonable initiative. We do not want to talk about the possibility that Congress will not do this. [passage omitted]

[Arizmendi] Does Venezuelan Foreign Minister Humberto Calderon's about-face mean that the negotiating process to delimit marine and submarine territories is frozen?

[Gaviria] I do not believe so. In response to those statements, with which the Colombian Government does not agree, the Foreign Ministry responded with a communique that clearly and forcefully stated that Colombia has rights in the gulf, that the negotiations acknowledge this, that the negotiations that have taken place all of these years under different governments recognize these rights, and that what is being discussed is the scope of those rights.

This premise having been given and accepted, I agree with statements to the effect that direct negotiations will continue. We are working on this, of course. Over the course of the coming days, we are going to form an advisory commission, and with this commission we will examine the implications of these statements and the position that Colombia should adopt. I hope that the foreign minister's remarks will not in any way hinder the climate of integration that constitutes Colombia's main area of progress in its relations with Venezuela.

I would like the process of economic integration with Venezuela to move forward. In the future, it will be the leading source of growth for Venezuela's economy—as well as Colombia's—and I hope that in the years ahead the integration process will be consolidated.

[Arizmendi] If you played your entire hand and Venezuela won the legal conflict, what would Colombia lose?

[Gaviria] Colombia, of course, has rights in Venezuela's most distant area—the dry coast. Colombia has rights in the Gulf of Venezuela regardless. This is why the Venezuelan foreign minister's remarks are so inconsistent. Colombia has rights according to even the most radical theory that has been raised in Venezuela, which is the extension of the territorial border further than the dry coast border. I do not expect that to happen. I believe that Colombia has solid legal arguments to defend its involvement in the gulf, arguments that will overcome the theory of extending the territorial border, which is Venezuela's most radical theory.

[Arizmendi] Had the Venezuelan coupists succeeded on 4 February, would Colombia have been capable at that time of defending its sovereignty in the gulf?

[Gaviria] I trust, of course, that the solution to this problem will be peaceful. I do not know of anyone in Venezuela who has publicly stated that any solution other than a peaceful one should be sought. Colombia is prepared to seek a peaceful solution to the controversy. I hope, of course, that Colombian-Venezuelan relations will not be altered to the point that we have to seek solutions that were not peaceful.

[Arizmendi] Realistically speaking, the Caracas talks failed. Why must we maintain the hope that the Mexico talks will succeed?

[Gaviria] I would not say that the Caracas talks failed. The Caracas talks were part of a peace process. An agenda was agreed upon, and we have somehow managed to prevent the sudden terrorist waves of February and July 1991 from recurring, partially because of the security measures, but also partially because of the peace talks. We have avoided further radicalization. We are undergoing a difficult process with which the people are somewhat disenchanted because they do not see in the guerrillas any desire for peace. The government has that desire, and the government is willing to not only explain its policies, but to make pledges to achieve peace. By discussing all the topics that are on the agenda, the Colombian president and his government have the resolve to achieve peace, they want to make peace, they want to achieve peace. I believe that a cease-fire is still vital to greater political support for and firming up of the peace process.

The fact is that both sides must be willing to make peace, and the guerrillas have been evasive. I am surprised that some people still believe that they must resort to weapons and violence to legitimately oppose certain policies and perpetrate all manner of terrorism and destruction in Colombia. When I sometimes say that the guerrillas are like dinosaurs, my intention is not to disparage or insult the guerrillas; it is just that in reality their causes are like extinct species.

[Arizmendi] Mr. President, can you explain why each and every one of the government's policies is currently on trial and why you have sent a group of high-level officials to Mexico so they can explain to guerrilla representatives a series of things they are not about to accept?

[Gaviria] No. I hope peace will be achieved, although it is a somewhat remote hope.

[Arizmendi] Do you have reason to believe this?

[Gaviria] Yes, because I consider important the fact that the guerrilla groups have agreed to participate in the negotiations. If peace was possible in El Salvador after a terrible civil war, why would peace not be possible in Colombia? I see no reason why those groups should continue to opt for armed struggle and violence. I am willing not only to explain our policies but to make pledges and achieve peace.

Undoubtedly, some Colombian groups want to achieve peace without even talking about the country's problems, without making concessions, without even explaining government policies. I am not one of them. I understand that peace is costly and that it is not easy to achieve. We cannot put all our eggs in one basket, meaning the talks—first in Caracas and now in Mexico.

The president of the Republic has stated that we must invest more in our security and defense. That is what we did last year with the war tax. In a certain way, this is the basis of our tax reform bill. We also substantially increased our Armed Forces to raise their morale and combat capability. We have invested in the intelligence system; we have made investments to increase Armed Forces mobility.

I think this country has a security problem that involves more than the Simon Bolivar National Guerrilla Coordinating Board. Common crime is causing a lot of fear, and Colombians have to prepare to invest more in our security and defense systems, regardless of the results achieved in the Mexico talks. [passage omitted]

ELN Representative Explains Strategy, Goals

PA1903001392 Santa Fe de Bogota EL TIEMPO in Spanish 16 Mar 92 p 3A

[Text] Antonio Garcia is a member of the ELN [Army of National Liberation] central command and one of the persons closest to [ELN leader Father] Manuel Perez. He is the only delegate sent by the guerrilla group to the talks with the Colombian Government.

Kidnappings and the placement of bombs in the countryside were two issues discussed in this short interview with Garcia.

[EL TIEMPO] How does the ELN explain the placement of bombs in the countryside?

[Garcia] That is a mode of operation. The military and paramilitary have placed mines in the countryside to strengthen their policy of territorial evictions. They have

established the demarcation of areas. The confrontation between the Army and the guerrilla groups occurs in certain areas.

It is true that we have mined some areas, but we do it in conflict-ridden areas to attack the Mobile Brigade. Only military personnel have been injured. We do not attack the civilian population.

[EL TIEMPO] Then how can you explain the bomb placed at a child care center in El Carmen (Santander Department)?

[Garcia] That was a mistake we deeply deplore. Situations that no one wants sometimes occur. That was one of those incidents.

[EL TIEMPO] Why does the Simon Bolivar National Guerrilla Coordinating Board continue with the strategy of kidnappings?

[Garcia] It is a policy to collect taxes that revert for the country's social development. We call it social aid, and it also helps strengthen our rebel activities.

Ecuador

President Borja: Chile's Pinochet Not Welcome

PA1903175192 Paris AFP in Spanish 0102 GMT 19 Mar 92

[Text] Quito, 18 Mar (AFP)—President Rodrigo Borja said on 18 March that Chilean Army Commander Augusto Pinochet's presence in the capital is not welcome.

In a press communique released by the Presidency, Borja stated that "General Augusto Pinochet surprisingly arrived in Ecuador on a Chilean Armed Forces plane this afternoon."

The communique added that, even though the visit is private in nature, the Ecuadoran Government was not advised in advance, and the proper procedures established for these cases were not followed.

"I have let General Pinochet know through the proper channels that his presence is not welcome in Ecuador," Borja stated.

"Naturally, this message does not adversely affect in any way the close friendship between Ecuadoreans and Chileans, who are linked by their common democratic ideals. It cannot adversely affect the excellent relations and the mutual respect that exists between the governments of both brother countries," Borja stated.

Pinochet Not Persona Non Grata

PA2003021492 Quito Voz de los Andes in Spanish 2300 GMT 19 Mar 92

[Text] Quito—The Ecuadoran Government denied on 19 March that General Augusto Pinochet, former Chilean president and current Chilean Army commander, is persona non grata although President Rodrigo Borja said he is not welcome. Government Minister Cesar Verduga told the media that Gen. Pinochet's visit to Quito is strictly personal, and he has had no official contacts with active members of the country's Armed Forces.

Pinochet arrived on 18 March in the Ecuadoran capital, where he lived—in a luxury hotel—for four years during the sixties. The government has not given him a deadline to leave the country, nor has it issued a statement declaring him persona non grata, Verduga added. He said Gen. Pinochet has not met with any Ecuadoran officers on active duty or given any lectures at the Army's War Academy.

Nevertheless, official sources, who chose to remain anonymous, said the Chilean general visited the military social center and met with retired officers. Some of the retired military officers who met with Pinochet were his friends, comrades, or fellow professors from when the military officer taught logistics during his residence in Quito.

I came to Quito to see my friends and to be with them, Pinochet said on 18 March in a brief statement to the media. Shortly after Pinochet's arrival, Ecuadoran President Rodrigo Borja officially stated his presence is unwelcome in Ecuador. The president said that, although the visit is private, it was not previously reported to the Ecuadoran Government and the usual formalities for such cases were not followed. Borja said his statement in no way affects the close friendship prevailing between the Ecuadoran people and Chilean people. Official sources said the general will leave Ecuador today, but they did not specify his destination.

* Abdala Bucaram on Campaign, Domestic Issues

92SM0296A Quito VISTAZO in Spanish 6 Feb 92 pp 4-8

[Interview with Ecuadoran Roldosist Party presidential candidate, Abdala Bucaram by unidentified reporter: "I Will Come in First in the Second Round"; place and date not given.]

[Text] In the view of Abdala Bucaram the best government over the past 25 years was that of President Jaime Roldos. The worst was that of President Leon Febres, regarding human rights, and that of President Rodrigo Borja, in providing economic leadership.

[VISTAZO] Why do you want to be president?

[Abdala] I believe that Ecuador needs to have men with greater ability in the executive branch of the government. I hope to be elected president to banish poverty from my country.

[VISTAZO] What are the qualifications which a presidential candidate should have?

[Abdala] The basic qualities should be honesty, passion, morality, and enough integrity not to abandon those principles.

[VISTAZO] What has been the best government over the past 25 years? What has been the worst one?

[Abdala] Without any doubt the best government over the past 25 years was that of Jaime Roldos Aguilera, our illustrious president, because of his great feelings of humanity and his respect for human rights, as well as the extraordinary program of public works carried out during the short time when he was president of the Republic. The worst government, because of its repressive policies of continuously attacking human rights and using the security forces in a cowardly way against workers, laborers, and businessmen and for its continuing repression of political figures of the opposition, was that of Dr. Leon Febres Cordero, the tyrant. And in the economic field the government which generated the greatest hunger, bringing desperation and rebellion to the Ecuadorian people, is the administration of Dr. Rodrigo Borja Cevallos.

[VISTAZO] How many votes do you think you will get? Do you think that you will reach the second round of the elections? Against whom will you compete in the second round?

[Abdala] I think that I will obtain about one million votes, considering the fact that in 1988 I received about 1.5 million votes in the second round of the elections. Of the candidates now running I am the only one with this record. I think that I will be in first place in the second round and I will have about 25 percent of the total number of valid votes. I think that in the second round of the elections I will certainly face Dr. Raul Baca Carbo, Dr. Leon Roldos Aguilera, or possibly Sixto Duran Ballen, the architect.

[VISTAZO] If you do not reach the second round, whom would you vote for?

[Abdala] I cannot answer something which is unknown, as I would be starting from false premises. It would be unbelievable, stupid, and even an insult to the intelligence of the country to suppose that the popular candidate, the candidate of the people, could not reach the second round of the elections.

[VISTAZO] How much are you planning to spend on your election campaign?

[Abdala] This is one of the weak points in my campaign. There is no question that there are other candidacies, like that of the Social Christian Party, which will spend between 30 and 40 billion sucres. In fact they have already spent about 10 billion sucres. We hope to collect from all of our party members between 1.0 and 1.5 billion sucres to see how we can deal with this very difficult election campaign.

[VISTAZO] Do you have foreign advisers?

[Abdala] I do not have them and I do not need them. I have no reason for spending Ecuadoran money on reactionary minds who come to Ecuador to prefabricate beauty products before they prefabricate the truth, which is what the Ecuadoran people want to hear.

[VISTAZO] What public services will you privatize?

[Abdala] The people need better telephone and postal service. They need better garbage collection services and better distribution services than those provided by ENAC [National Enterprise for Warehousing and Marketing] and Enprovit [National Enterprise for Vital Products]. The people need private investment in hydroelectric projects. They need better communications networks. Everything which can be privatized should be privatized, to the extent that the rights of the workers are respected and that the state receives a just price for its property.

[VISTAZO] What state enterprises do you consider are working well?

[Abdala] I believe that, with all of its defects, the Ecuadoran State must continue to control petroleum policy and manage the national petroleum company, since oil is a very valuable natural resource for the country's economy.

[VISTAZO] What do you think of the Ecuadoran press, the armed forces, the Catholic Church?

[Abdala] I think that there are great and good journalists. I think that there are great and good newspapers. However, I also think that in this regard the Ecuadoran press at this time should be depoliticized. The owners of the social communications media cannot support any political party. Regarding the armed forces, I think that they are performing their specific functions and that they have adapted to the political thinking of the civilians at the international level. The peoples of the world want peace. They do not want war. The peoples of the world prefer a book to a bullet. We are aware of the great role which the armed forces are playing and we believe that they have understood that they provide support for the security of the citizens and of the fatherland. Regarding the Catholic Church, I admire the priest in Ecuador who preaches by example, who says Mass, who reads the Bible, who teaches catechism. I feel somewhat alienated from the hierarchy of the Church when those who hold ecclesiastical power abuse the faith of the people. On this subject I should add that I graduated from Cristobal Colon College. I am a Catholic and believe in God.

[VISTAZO] Why is the municipal government of Guayaquil in a state of permanent crisis, while that in Quito is efficient?

[Abdala] The answer is very simple, due to the very poor distribution of funds to the different provinces. All of the municipal governments in Ecuador are in a permanent crisis. What happens is that there is always a political desire on the part of governments to favor one region, as in the case of the government of President Borja, which wishes "to destroy the city of Guayaquil." It was the same kind of regionalist feeling which led Dr. Febres Cordero to try to destroy, to try to divide, and to provide

no assistance to the city of Quito. Those responsible are the presidents of the republic. Febres Cordero hated Quito, and Borja hates Guayaquil.

[VISTAZO] What is your position regarding the proposal of Peruvian President Alberto Fujimori?

[Abdala] I was very sorry to see how Ecuadoran politicians bowed down before President Fujimori, who came to propose to us simply that, "The Pope should send us a topographer." This is a criminal and bloodthirsty proposal on the part of an invader who is already planning to take over the eastern part of Ecuador. Peace and sovereignty are not in conflict. I believe that when we look at the forest and not just the trees, Ecuador is going to remember the worst governments in the past 50 years, the governments of Carlos Alberto Arroyo del Rio and of Dr. Rodrigo Borja, for allowing them to wave the terms of the Protocol of Rio de Janeiro right in front of our noses and subject us to a question of border limits, when the problem which Ecuador has is specifically territorial, involving regaining 200,000 square km, which were taken away from us as a result of an invalid Protocol which cannot be implemented.

[Box, p 8]

What He Thinks of the Government

[VISTAZO] What do you think of the following aspects of the government of Dr. Rodrigo Borja Cevallos? First, economic gradualism.

[Abdala] Governments which are unsure of themselves and incompetent governments take actions of this kind. They have not reached the point of understanding that the model of growth based on import substitution and excessive protection for industrialists and businessmen is worn out. These businessmen have never known how to perform their true function in society.

[VISTAZO] And the conflict with Peru?

[Abdala] It would be enough for me to say here that I would have to recall the words of Simon Bolivar, when he said: "I am Bolivar, the man born every century with the awakening of a people." And President Borja should imitate Bolivar by saying: "I am Borja, the man born every century with the soul of Carlos Alberto Arroyo del Rio, the gravedigger of the fatherland."

[VISTAZO] And foreign debt?

[Abdala] The aggressive policy of entering into foreign debt has been explained exclusively for the benefit of powerful economic groups, through the use and misuse of the monetary reserve and the construction of gradiose projects to obtain large commissions. They have been willing to earmark more than 40 percent of the export earnings of the country to pay the interest due on this debt, because in this way they have obtained soft loans to make it possible to finance large election expenditures when they have said that now it is up to the people.

[VISTAZO] And petroleum policy?

[Abdala] The project for developing water resources for generating electricity has not been pursued. Administrative reforms have not been introduced to decentralize decision making on petroleum policy. No action has been taken in a businesslike way to increase the resources from investment which are required in this sector. The most serious aspect is that a minister of natural resources has come out, bluntly denouncing the various departments of Petroecuador [Ecuadorian State Petroleum Enterprise].

[VISTAZO] And social policy?

[Abdala] The phrase now used, that it is up to the people, was also a lie. Children and those who protect children have never been more insecure or as prone to ignorance and crime as now. Children have been abandoned without any appropriate policy of social assistance. We have seen every day the failure to build village roads, hospitals, schools, colleges, vocational training centers, highways, sewage works, and systems for the distribution of safe drinking water.

[VISTAZO] And the Restrepo Case?

[Abdala] Although it was not as much involved in this matter as the government of Dr. Leon Febres Cordero, there is also some responsibility on the part of the government of Dr. Rodrigo Borja due to the presence in the cabinet of Andres Vallejo and Cesar Verduga, who have also politicized the matter and prevented those responsible for this vile murder from being punished in a timely way.

[Box, p 6]

Abdala: 'How I Will Solve Major National Problems'

Poverty Among the Masses

By basically earmarking public funds for education and health and turning my attention to the countryside to begin to create enough jobs and a new and specific attitude toward life so that the Ecuadoran people would discipline themselves through skills they learn and continue improving their position as citizens.

Inflation

To control inflation, it will be enough to convince the Ecuadoran businessman that the country needs to repatriate its profits and to recycle its capital. This will create a structure and will create jobs. In this way there will be possibilities created by greater production and an expanded infrastructure, definite possibilities for the president to be able to exercise decisive control, not only of prices but also of living levels.

An Excessively Large and Corrupt Bureaucracy

I think that one of the proper steps which must be taken at this time is to privatize everything which can be

privatized. However, we must not start with the erroneous concept that the way to achieve privatization is by cleverly privatizing sectors which are profitable, leaving enterprises which lose money in state hands.

Wasting Limited State Resources on Grandiose Projects

If making profits is the dominant idea in the mind of the president, there is no question that we will have new standards. If the spirit of benefiting the Ecuadoran people is the dominant idea in the mind of the president, there is no question that available funds will be allocated in terms of their usefulness for education and health.

Police Corruption

It is essential that it be understood that civilians control the state, because the constitution provides this protection. Power is given to the uniformed security services to provide security, confidence, tranquility, and peace to our Ecuadoran fellow citizens. The best way to stop police corruption is to make it clearly understood that those who enjoy the powers of the courts or police or military powers do not have the authority to act like pirates or even to commit crimes.

Corruption of the System of Justice

I think that it is essential to seek new ways of appointing the members of the courts of justice in this country. As long as the political party spirit continues to make sure that its interests are served, we will continue to build courthouses but will never establish "justice itself." It is essential in this case to make the Ecuadoran people and politicians understand that a state is as great as the capacity of its judicial branch to apply judicial procedures properly and exclusively for the benefit of truth and justice.

Administrative Centralism

I believe that the only way of ending the system of administrative centralism is to begin by abandoning the regionalist feelings of a bureaucracy which has been taught to ignore everything which is not in the interest or which does not suit the political commitments of certain areas of the country. The only way to do away with centralism is to begin by taking action to depoliticize the administration of the different government ministries. A major draft law which will bring a significant administrative reform to our government during 1992 will be the law for reducing paper work.

Verbal Cannibalism and Terrorism by Political Leaders

More serious than verbal cannibalism and terrorism by our leaders is the continuing policy of disinformation in our social communications media, which picture thieves as honest men and honest men as thieves. The day when tie-wearing thieves, when those groups which every day order the Ecuadoran people to die of hunger from exploitation are put in jail—on that day the vocabulary of Ecuadoran political leaders will be improved tremendously.

Terrorism and Crime

We believe that with more jobs there will be less social discontent and, therefore, less terrorism. There will be more people at work with greater possibilities of bringing home bread for their families, and, of course, there will be less crime. In this connection conditions have already been created for terrorism or crime to exist. The government must be firm and take tough action with all of the force which the constitution and the laws provide.

Crisis in University Education

We must expand opportunities for part time jobs in Ecuador. We must have more adequate, selective processes for entry into Ecuadoran universities. Fundamentally, I believe that we must raise the level of competence of Ecuadoran university professors so that they will not be chosen only on the basis of personal commitments or political gratitude. Ecuadoran universities need to take progress and scientific advances into account. To do this, it will be essential to use more effectively the resources which the state can give to the universities. We must be concerned about seeking the best return in the quality rather than the quantity of students.

Paraguay

Israeli Envoy Vows Retaliation on Embassy Attack

PY1903230092 Asuncion ULTIMA HORA in Spanish 18 Mar 92 p 13

[Text] Israeli Ambassador to Paraguay Shmu'el Merom has said in connection with the attack against the Israeli Embassy in Buenos Aires that "the attack in Buenos Aires is an action that we will retaliate. Let me be quite clear: This will not remain unanswered. We know who our enemies are, and this is how they operate."

He added: "We do not yet have confirmation on the terrorist groups who claimed responsibility for the attack, but we have some theories. Several extremist groups usually try to take advantage of this type of attack to promote themselves and to show their power, but nothing has been confirmed in this case yet."

The diplomat said: "We believe that this is linked to a Teheran-Damascus axis, because they began a new wave of terror around the world, last week in Turkey, in northern Israel, and also in other places. This is serious, but we know what we have to do from now on. Right now we will just see what happens."

Merom said that he has not received any special instructions from his government, but that they are always alert to this type of thing. "We should always be attentive, because nothing can be done against traitors with machine guns or car bombs. We can defend ourselves—

we have proved this repeatedly—but this attack will make us open our eyes," the ambassador noted.

The ambassador emphasized the work by the Paraguayan police—who immediately offered their services—and the fact that several officials conveyed condolences.

The ambassador said: "We express our thanks for the gestures of affection. I want to emphasize that we have always welcomed everyone. Israel always uses one hand to defend itself and the other one to strengthen peace. Despite this type of attack, peace will remain our priority."

Government-Church Conflict 'Considered Ended'

PY1903144092 Asuncion ABC COLOR in Spanish 18 Mar 92 p 19

[Text] Education Minister Horacio Galeano Perrone has reported in a news conference that the government has decided to end the conflict with the church. He made this statement after a meeting with Interior Minister Orlando Machuca Vargas.

Moreover, Galeano Perrone added that the government must begin a dialogue with the church about relations, once the study of the new constitution is concluded.

"If the Constitution establishes the church-state separation, a new situation will emerge, but I can assure you that the president of the Republic fully supports this relationship," he said.

The problem that is considered ended by the government began when the interior minister sent a note to the bishops denouncing the participation of priests and nuns in land seizures. The education minister has been designated to mediate between the two involved parties.

Finally, Galeano Perrone stressed the church's very important role in education.

CEP Note to Machuca Released

PY1903132492 Asuncion ABC COLOR in Spanish 18 Mar 92 p 19

[Text] Monsignor Celso Yegros, secretary general of the Paraguayan Bishops Conference (CEP), has released to the press the letter sent to Interior Minister Orlando Machuca Vargas.

The letter says: "We must say with absolute frankness and transparency that the reports released by the Misiones Diocesan bishop by no means coincide with your report. Besides, the large number of priests and nuns mentioned does not tally with the number of personnel in that diocese."

It adds that the bishops lament the interpretation by the Interior Ministry of the presence of "plainclothes" pastoral agents at occupied land in Misiones. "From the moment the church—the only competent authority on the matter—accepts the presence and the work of religious people who do not wear a habit, it is difficult to believe that their purpose is to provoke violence. It hurts to see that some people cannot distinguish between the presence of people who seek agitation and violence and an obligation to prevent violence that is harmful for all," the note says.

It adds that the church does not promote violence or injustice, but follows the efforts of so many in this land who seek to overcome situations of poverty and injustice, stressing the presence of priests and nuns who, to a great extent, seek peaceful solutions to many serious problems.

The note continues: "We also want to recall the generalized complaint about lengthy delays in solving the justified demands of the landless peasants. For this reason, there is a general belief that the transactions of land can be accelerated and solutions obtained only by provoking seizures." It adds that the bishops have pointed out this situation on many occasions when expressions of goodwill were very clear and repeated, but there were no reciprocal actions.

The CEP also expresses that, just after the change of government on 3 February 1989, the then president and secretary general of the CEP visited the president of the Republic to tell him that the church would be loyal to the efforts to solve the many national problems. It adds that today they have the same objective, which moves us to say that our people have many problems which are not being solved although they want to achieve a common wellbeing.

"The bishops know that private property is legitimate, but we also know that it is not an absolute right, nor can it be used to silence much more dramatic demands regarding the survival of families. We bishops have always preached respect for the laws, but we are surprised that some people do not realize the existence of unjust laws and urgent situations that are not being addressed," the CEP note states.

Concluding the letter, the CEP states: "It is not in our spirit to seek easy prestige or to promote violent situations. We repeat that the Church will provide the necessary cooperation with pleasure, will fulfill its mission of denouncing evils and injustices, and will not stop its clamor for changed minds and behaviors to achieve a better Paraguay for all."

Peru

Foreign Minister Discusses Economy, Visits, Cuba

PY1903215792 Lima LA REPUBLICA in Spanish 12 Mar 92 pp 6, 7

[Excerpt] Foreign Minister Augusto Blacker Miller on 11 March denied that Economy and Finance Minister Carlos Bolona was going to resign and that Miller would replace him.

He stressed that "it is not worthy of comment (his transfer), because there is no possibility that this change will occur."

He considered that Bolona's leaving the Economy and Finance Ministry "would be a backward step in the program," which he considers must be strengthened in order to overcome its current entrapment.

He indicated that the strengthening of the program will necessarily include a correction of the interest rates, a speeding up of the program of privatizing state enterprises, the reform of the tax system, and the head-on fight against drug trafficking and subversion.

At the same time he explained that the publication in EL PERUANO of the abrogation of some tax measures is not a sign of internal contradictions nor of a ministerial crisis.

"What is happening," he said, "is that in respecting the powers of the state, the executive branch is carrying out the appropriate coordination of the case with Congress in order to achieve a definition."

Blacker Miller chatted with reporters after opening the symposium on economic stability and structural reorganization organized by La Moneda Consortium. The minister was a director of this consortium up to the day before he was appointed minister.

He indicated that Ecuadoran President Rodrigo Borja will visit Lima during the first week of July in return for the visit [to Ecuador] by President Alberto Fujimori in January.

Prior to this visit, the chiefs of the Armed Forces of the two countries will meet in Lima in April to exchange viewpoints on the rapprochement obtained by Borja and Fujimori.

The minister also spoke about the Peruvian president's trip to Japan and Peru's position on the UN condemnation of Cuba's human rights policy.

He stated that there is great expectation regarding Fujimori's second visit to the land of his ancestors, although he declined to give any details about the aid offered by Japan to Peru.

Regarding the Cuban matter, he clarified that Peru simply abstained and did not add its vote to the condemnation approved by the majority in the United Nations, not because it was in agreement with what is happening on the island of Fidel Castro but because the internal human rights policy is involved. [passage omitted]

* Government Defends Validity of Tax Decree

92SM0292A Lima EXPRESO in Spanish
13 Feb 92 p A16

[Text] The government yesterday ratified maintaining the existing tax on current account debits and imposing a graduated tax on revenues greater than $450 per month, in keeping with the law repealing Supreme Decree 307, designed to generate greater revenues for the Treasury in the face of the revenue cut by Congress.

The supreme decree, which increases the number of contributors and places a greater tax burden on those already contributing, includes implementation of a new index for income tax (IR) payments, similar to what should occur next March, and which was previously calculated on the basis of the Tax Unit (UIT). Revenue from this program is estimated at $125 million, compared to $75 million currently being collected through the UIT.

According to the decree, the new index to be applied this year is the Reference Tax Unit (URT), with a value equivalent to $1,040; the president's observance of the law relies on the fact that if the UIT had been kept in effect for calculating these tax payments, it would have meant lower and distorted payments by contributors and, consequently, fewer revenues for the Treasury.

"The determining motive for this decision," according to the observation directed to the president of the Permanent Congressional Committee, "is that during 1991 the value of the UIT was readjusted erroneously, according to the Consumer Price Index (CPI), without having calculated the effect that a smaller devaluation would have had on it."

Not For the Poor

The president also rejects the idea that the application of the URT will be detrimental to those sectors with lower incomes, as legislators suggested during the deliberations on this issue.

He stated that this is untrue, because the income tax is based on a cumulative progressive scale in such a way that one person, with no dependents, whose income is affected at the first level of the IR, will have to pay not six, but 2.5 percent of his income.

Fujimori defends the measure in observing that replacing the UIT with the URT also corrects the distortion of those who earn more, paying less, which violates the sense of an equitable distribution of wealth, "the goal," he points out, "of a good tax system."

A recent report published by Sunat calculates the payment scales for this tax on the basis of the URT, establishing that it is composed of 2.2 percent from those with income of less than $451.40 per month, 4.6 percent from those who earn up to $656.40, and 14.3 percent from those with income of $1,864 per month.

Tax on Debits

Despite recognizing its antitechnical nature and the negative effect on the banking system, President Fujimori also ratified imposition of the tax on current account debits, increasing it to 0.4 percent by 30 June of this year, which will generate $10 million per month in revenue for the state and permit the Treasury to meet certain demands placed upon it.

Venezuela

Antigovernment Demonstration Results in Arrests

PA1903184292 Paris AFP in Spanish 1616 GMT 19 Mar 92

[Text] Caracas, 19 Mar (AFP)—Student and union leaders, including Francisco Solorzano, secretary general of the Caracas Journalists Association, have been arrested by police responding to an antigovernment demonstration in the eastern part of the capital, according to reporters.

Despite the government ban on demonstrations and police attempts to prevent it through arrests and the use of birdshot, tear gas, and water cannon, at noon (1600 GMT) on 19 March more than 200 demonstrators marched down Francisco de Miranda Avenue, which runs from the east to the central part of the capital.

As the demonstrators marched by, numerous residents of nearby buildings banged empty pots in a show of solidarity. In neighboring residential areas, garbage cans were dumped into the street, creating barricades to prevent police vehicles from passing.

The marchers dispersed after two hours of police action, then reassembled on their way to downtown Caracas, 10 km away.

Radio stations reported minor incidents between demonstrators and police in a neighborhood in the western part of the city and the suburb of Guarenas, 30 km east of the capital.

The protest was called by student and people's organizations to demand the resignation of President Carlos Andres Perez and to express their solidarity with the young soldiers who tried to overthrow him on 4 February.

Authorities Release Organizers

PA2003014292 Paris AFP in Spanish 2127 GMT 19 Mar 92

[Text] Caracas, 19 Mar (AFP)—Organizers of the 19 March anti- government demonstration in Caracas were released five hours after their arrest, which took place as they were preparing to lead the march, it has been reported by the organizers.

The group included Francisco Solorzano, secretary general of the journalists in Caracas; Luis Figueroa, president of the university student federation; and other union leaders.

The police stopped the demonstration by arresting approximately 25 activists and dispersing the participants with water cannons, tear gas, birdshot, and sabers. Demonstrations were banned following a foiled military coup on 4 February.

The demonstrators demanded the reinstatement of all their constitutional rights, an amnesty for the 4 February rebels, and the resignation of President Carlos Andres Perez.

Groups of students gathered in front of the Central University in Caracas are continuing to defy the police this evening.

Demonstrators' Acts Criticized

PA2003042492 Caracas Venezolana de Television Network in Spanish 0000 GMT 20 Mar 92

[Station commentary]

[Text] Violence does not solve any problems, but it does aggravate those problems that already exist. Now that Venezuela needs everyone's cooperation, we should all be more united than ever.

A peaceful demonstration had been planned for 19 March to request the release of civilians and military personnel who were arrested following the coup attempt as well as to request the return of the constitutional guarantees that are still suspended. That demonstration did not have the government's approval and had been declared illegal given that President Carlos Andres Perez had ordered, on the eve of 18 March, the acquittal of civilians as well as a large number of military personnel, after it had been ascertained that they had not participated in the 4 February events. In light of the above, the demonstration was declared illegal. Nevertheless, there was an attempt to carry out the demonstration, starting at the Petare location.

Faced with that situation, the state's security forces responded by turning the water hose on the people who had assembled at the agreed-upon site to begin the alleged peaceful demonstration. The authorities' intervention with riot trucks, however, prevented the demonstration from continuing.

Among the few people who stayed behind was Deputy Pablo Medina from the R Cause Party. Deputy Medina, accompanied by activists from his political organization, was also hosed down when he attempted to continue the demonstration that had already been dispersed. Suddenly, R Cause Deputy Medina, to everyone's surprise, pulled out a heavy caliber weapon and threatened those who had sprayed him with the water hose. Immediately afterward, his associates, fearing he would be caught in a very violent and unpeaceful act, tried to hide what had taken place, but it was too late. The deputy, however, did not count on the television cameras that filmed this very embarrassing action which we can all see on the screen right now. [video shows man pulling out a weapon]

Now, we all ask: Why was Deputy Pablo Medina carrying a heavy caliber weapon during an allegedly peaceful demonstration? In any case, does the parliamentary immunity granted to him by the Venezuelan people when he was elected give him the right to carry

weapons and pull them out in allegedly peaceful demonstrations? What would have happened if the quick reaction of Medina's associates had not controlled the situation and prevented Deputy Pablo Medina from firing his weapon? What would have happened if the security forces had responded to his action? What would have happened today in Petare?

These reflections should be a matter of concern for the political authorities of the R Cause Party and a matter of very serious reflection for deputy Pablo Medina himself. He should be reminded that parliamentary immunity must not be used to cover up actions such as these we are currently seeing on the screen [video shows man aiming what appears to be a submachine gun] that could have turned an allegedly peaceful demonstration into a bloody incident.

Ministry Probing Alleged Post-Coup Executions

PA1903191892 Madrid EFE in Spanish 1604 GMT 19 Mar 92

[Text] Caracas, 19 Mar (EFE)—The Venezuelan Defense Ministry announced that on 19 March it will begin investigating reports of summary executions of several soldiers implicated in the 4 February abortive coup. Relatives of soldiers who were killed reported that several officers were arrested by the DISIP [Directorate of Intelligence and Prevention Services] (political police) and were executed after the coup attempt.

According to the government, 18 soldiers died during the rebellion; however, unofficially it was stated that the number surpassed 20.

Defense Minister General Fernando Ochoa announced that a summary investigation was ordered by Air Force Major Adalberto Contreras, judge of the Permanent Lower Court in Caracas.

Relatives of several soldiers killed during the coup attempt reported that a policewoman, whose name was not disclosed, directed the action and personally executed the officers.

Last week, Deputy Walter Marquez of the Movement Toward Socialism (MAS), the country's third largest political party, reported that the government sent the policewoman to El Salvador, as an adviser to security agencies in that country.

Defense Minister Ochoa ruled out the possibility of a new coup attempt and agreed with Vice Admiral German Citraro, the Armed Forces judge advocate general, who said that the abortive coup should encourage the search for a more just society. Ochoa stressed that the rebels constitute a "minority group" that for ideological reasons "not yet established" wanted to achieve power by force.

Lieutenant Colonel Hugo Chavez, who led the rebels, said in a statement published on 19 March in the daily EL UNIVERSAL that they were not prepared to be coupists. Chavez is currently being detained at the San Carlos Garrison in northern Caracas, together with four other leaders of the abortive coup: Lt. Col. Francisco Arias, Lt. Col. Jesus Ortiz, Lt. Col. Joel Chirinos, and Lt. Col. Jesus Urdaneta.

"We were prepared to direct the Army," Chavez stressed, adding that they had two options: either remain silent in face of a government that in their opinion "was hurting the nation's sovereignty, or assume the consequences. We chose the one we thought was correct."

In the interview published by EL UNIVERSAL, the coup leaders stressed that their objective was not to kill President Carlos Andres Perez, but to arrest him, and that because they failed in their attempt, they decided to surrender. Chavez attributed his failure, among other things, to problems in carrying out plans to take over the television stations "because the soldiers who were assigned that mission did not act."

On 18 March, the Defense Ministry announced the dismissal of charges against 57 soldiers and 8 civilians who were arrested after the coup attempt. A total of 80 people remain under arrest.

The official Defense Ministry communique stated that the order to dismiss the charges came directly from President Perez.

Council Presents Crisis Suggestions to Congress

PA1903155192 Caracas Venezolana de Television Network in Spanish 0000 GMT 19 Mar 92

[Text] Members of the Presidential Advisory Council delivered to Congress a document that sets out their suggestions regarding the current national crisis. The document emphasizes that solving the national crisis depends more on the legislative branch than on the presidency. That is one of the main points taken up by Council member Jose Melich Orsini, who said the Constitution should be respected by not extending the legislative term of office for more than 10 years. Melich Orsini also suggested to Congress that it is necessary to restore the secret ballot to avoid political cliques and to prevent party platforms from coercing parliamentarians' opinions.

Melich Orsini pointed out that reform of the Constitution and judicial system are very important tasks that the legislative branch should take up immediately. Here are Melich Orsini's statements:

[Begin Melich Orsini recording] There is a common belief that very simple principles must be established in our Constitution but, at the same time, they must assure the democratization of the political parties. Our parties must stop being Stalinist parties. Their boards of directors should in fact be elected by their rank and file. That concerns not only the political parties, but also unions, professional associations, and social associations, such as the Venezuelan Federation of Associations and

Chambers of Commerce and Industry, so that those social associations truly represent the vote and the wishes of their majorities. [end recording]

Ruth Crivoy, the only woman on the Council, referred to the problems triggered by debt, noting that it is important to impose a luxury tax and to reform the tax collector's office to obtain improved returns. She noted there should be better control of public spending as 90 percent of the national budget is earmarked for obligations.

[Begin Crivoy recording] You will find in our report other issues that will contribute to the Venezuelan economy to control inflation without recession. I will take up the issues very briefly. One of them refers to the social services and retirement funds. Here the Congress can contribute to pave the way to find a solution to the problem, which has a bearing on worker salaries. That has a bearing on company costs. The problem even has a bearing on the role the financial sector can and should play so that the social services are more profitable and can be subject to orderly financing. [end recording]

Domingo Maza Zabala, another council member, changed the topic of his speech and did not speak of economy or numbers. His short speech addressed the constitutional issue as a possible solution to the Venezuelan situation, through an in depth national debate. He said it would not be convenient to form a constitutional assembly at this time, adding that good constitutional reforms that reflect the aspirations of the Venezuelan people will be sufficient.

[Begin Maza recording] The constitutional reforms, as Melich Orsini has said, will be the very center of a possible institutional solution to the serious national emergency the country is currently experiencing. [end recording]

In response to the advisory councils's report, congressional authorities have said they will examine the proposals completely and follow the council's advice by approving all pending laws.

* Government Accused of Promoting Violence

92SM0295B Caracas ZETA in Spanish
30 Jan 92 pp 10-12

[Text] The purpose of the illegal raid on the Central University of Venezuela (UCV) by a squad of hooded Metropolitan Police (PM) officers is, according to Enrique Ochoa Antich, director of human rights for MAS [Movement Toward Socialism], to create a feeling of terror among persons trying to stage public protests against the situation now existing in the country. Ochoa Antich believes the goal of President Carlos Andres Perez (CAP) and his government is to deprive the people's protests of their legitimacy, "criminalizing" those who participate in them.

Throughout his dialogue with ZETA, Ochoa Antich stated repeatedly that on the very day after the UCV raid, the government's entire propaganda machine, including a personal speech by President Perez, was aimed at generating an antiprotest campaign, trying to convince the nation that it is not the people in general who are participating in demonstrations, but only "criminals."

Ochoa Antich expressed his bewilderment over Perez's statements to the effect that anyone wearing a hood is a criminal, when dozens of witnesses have testified that the faces of police raiding the UCV were concealed by hoods! The fact that police wore hoods is even reported in the bulletin issued by the UCV University Council. If Perez's statement is true, then one has to deduce that the president is branding his own police force as "criminals." Ochoa nevertheless believes that no matter what all the witnesses say, CAP will never admit the police wore hoods.

Government Incites Violence

Like most political leaders, Ochoa Antich avoids saying whether the 13 young people arrested and brought before the criminal courts were really hooded. In his opinion, it is possible that some of those arrested belong to the groups that usually wear hoods during student protests, but he thinks most are just students caught in the middle of disturbances by hooded police as a result of orders from the highest levels of government as a warning to anyone protesting. Reliable evidence shows how the government "fabricates" hooded suspects, such as the American citizen caught near the UCV and released when his nationality was ascertained. If he had been treated like any other Venezuelan, he would now be a prisoner at El Junquito waiting to appear before the criminal courts.

Ochoa Antich says this government incites violence. He does not think Perez incites violence as a definite purpose, but that the incompetence of his government and police causes them to generate violence. As last year drew to a close, Ochoa continues, the government was truly forsaken by public opinion. In a matter of a few days, just before the suspension of classes, six young people were murdered by police when they put down demonstrations.

In the eyes of the people, it was the government that unleashed violence on peaceful demonstrators, as shown by all the media, including television newscasts. This situation caused the government to make a change. The removal of Alejandro Izaguirre from the Ministry of Interior and his replacement by Virgilio Avila Vivas, as well as the appointment of another of Perez's trusted aides, Antonio Ledezma, to the Government of Caracas, was an attempt to modify the repression. "The government knows the protests will continue. There is a 'breeding ground' causing the people to take to the streets. Now, instead of being a spectator at protests and putting them down as they occur, the government wants to issue a warning. First, it wants to instill terror in the people over what happened to the young people at the UCV. There are signs they were tortured, and the government's

intention is to hold them for several months while pressuring judges to sentence them so that they may serve as 'scapegoats.' Perez's other idea is to discredit those staging legitimate protests. The way in which the government's propaganda machine handled the case is a reflection of that goal: It is not the hooded police who are criminals when they violate the law and raid the UCV. Rather, the 'criminals' are the young people caught in the protests. They want to convince public opinion that the demonstrators are criminals."

"The change in faces in the Cabinet indicates that the government is going to step up its repression," Ochoa Antich continues. Official statements announcing they will put down striking teachers hard is an example of the violent shift the government is making in the face of growing discontent among the middle and lower classes.

Those Arrested

When asked whether or not the 13 young people brought before the courts had been hooded, Ochoa Antich said he could not make any statement on the matter. In his opinion, some may have been, but he believes the majority were not.

Concerning the alleged technical tests conducted by the PTJ supposedly demonstrating that some of those arrested had fired weapons, Ochoa Antich answered that ever since the cases of Lorena Marquez and Winston Vivas Useche (the DIM [Military Intelligence Directorate] inspector murdered at the headquarters of that agency and presumably involved in the attack on the residence of newsman Rafael Poleo), no one can trust the technical expertise of the PTJ.

"In the case of these alleged hooded persons," Ochoa said, "the only thing that stands out is the impressive speed with which the PTJ investigated 13 legal cases. In a matter of hours, the case was in the hands of a judge. There are so many confused facts that it would rather appear that the briefs had been put together before the suspects' capture. It is also surprising that it is the Homicide Division (as in the Lorena and Vivas Useche cases) which handled this matter."

Government's Trophies

"The arrest of the supposedly hooded students," Ochoa says, "is a kind of trophy for Avila Vivas and Ledezma. Among the ruling minority in Venezuela, there was a certain malaise over the government's negligence in arresting hooded individuals. It is that same minority that wants to put an end to university autonomy."

The nonviolent nature of the demonstrations staged last year created problems for that ruling minority. "We differ profoundly with the hooded elements, although we are now trying to defend their human rights, and we shall seek sanctions for those responsible for cases of torture and mistreatment. The government wants to use these young people as a legal parody, as a warning and precedent against protests. They will try, by forcing the law, to legitimize official violence and 'criminalize' the student movement. This case is a spectacle manipulated to discredit the protests. This government has had a great deal of practice using the Judicial Branch to intimidate its adversaries. Naturally, it could all turn out wrong for it. There are still many honest judges who refuse to rule as Miraflores wishes. If, in the case of these alleged hooded suspects and despite the dubious expertise of the PTJ, the judge releases them, it will be a hard political defeat for the government. In order to avoid this, it must be assumed that a great deal of pressure will be brought to bear on the Judicial Branch."

"The methods of the hooded elements are counterproductive, out of style, and ineffective. A peaceful protest is far more 'subversive,' to use a word dear to the government to define the demonstrators. When retired people or children take to the streets, it is far more dangerous for the government than when automobiles are set on fire. Public opinion perceives that peaceful demonstrators are right and that it is the government that is repressive. Even though the government treats demonstrators with increasing harshness—they stooped so low as to use tear gas and birdshot and clubbed a group of blind protestors—public opinion has the government cornered over the violence it has used on those exercising their right to protest."

Ochoa Antich ended the conversation by pointing out that this year, despite the announced intensification of repression, people's protests will be even larger. Discontent in all sectors of the population is causing people to take to the streets spontaneously, as in the case of the water problem in Guarenas, La Vega, and the central coast. It is the government that will decide what course the demonstrations will take. If it steps up repression, they will be violent.